

# DEPARTMENT OF AGRICULTURE Department Summary

#### Mission Statement

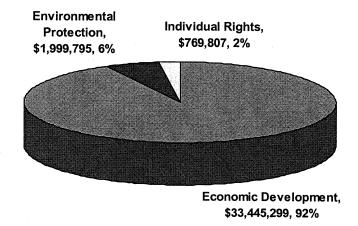
To develop and promote agriculture as a significant and respected driver of Hawaii's economy.

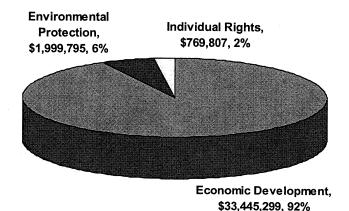
#### Department Goals

To conserve and develop essential agricultural resources and infrastructure; to gain access and develop local, domestic, and international markets for Hawaii's agricultural products; to raise awareness of the importance of agriculture to the State's economy, environment, and as a profession; to implement programs to safeguard Hawaii's farmers, consumers, and natural resources; and to prevent the introduction and establishment of plants, animals and disease that are detrimental to Hawaii's agriculture and environment.

Significant Measures of Effectiveness	<b>FY 2010</b>	FY 2011
1. Number of intercepted insect species not occurring in Hawaii.	431	440
2. % agricultural park and non-agricultural park lands developed and in productive use.	88	88

## FB 2009-2011 Operating Budget by Major Program Area FY 2010 FY 2011





### DEPARTMENT OF AGRICULTURE MAJOR FUNCTIONS

- Carries out programs to conserve, develop, and utilize the agricultural resources and infrastructure of the State and facilitates the transition of plantation agriculture to diversified farming.
- Enforces laws, and formulates and enforces rules and regulations to further control the management of these resources.
- Reviews and develops agricultural goals and objectives compatible with statewide expansion and diversification of Hawaii's agricultural base.
- Prevents the introduction of plant pests and diseases, provides certification services to facilitate the export of certain plant materials, and controls and eradicates insects and noxious weeds and controls the distribution and usage of pesticides.

- Administers the aquaculture development, state animal health, and agricultural and aquacultural loan programs.
- Maintains official State primary measurement standards; ensures accuracy of commercial measuring devices.
- Establishes and enforces grade standards for agricultural commodities producers in the State in cooperation with the industry, and achieves stability within the State milk industry by ensuring the availability of an adequate supply of wholesale milk for the consuming public.
- Collects and disseminates statistical data on agricultural production and supports the marketing of various agricultural commodities.

#### **MAJOR PROGRAM AREAS**

The Department of Agriculture has programs in the following major program areas:

Economic D	Pevelopment	AGR 171	Agricultural Development and Marketing
AGR 101	Financial Assistance for Agriculture	AGR 192	General Administration for Agriculture
AGR 122	Plant Pest and Disease Control		
AGR 131	Rabies Quarantine	Environme	ntal Protection
AGR 132	Animal Disease Control	AGR 846	Pesticides
AGR 141	Agricultural Resource Management		
AGR 151	Quality and Price Assurance	Individual 1	Rights
AGR 153	Aquaculture Development	AGR 812	Measurement Standards
AGR 161	Agribusiness Development and Research		

## Department of Agriculture (Operating Budget)

#### **Allocation**

		FY 2009	FY 2010	FY 2011
<b>Funding Sources:</b>	Positions	276.00	224.70	224.70
General Funds	\$	16,790,342	13,609,612	13,609,612
		52.00	69.30	69.30
Special Funds	•	6,047,058	6,948,501	6,948,501
		1.00	2.00	2.00
Federal Funds		2,033,610	2,010,549	2,010,549
Trust Funds		812,962	812,962	812,962
		9.00	9.00	9.00
Interdepartmental Tr	ansfers	1,845,674	1,430,203	1,430,203
		17.00	20.00	20.00
Revolving Funds		11,103,701	11,403,074	11,403,074
Other Funds	-	195,323	0	0
		355.00	325.00	325.00
<b>Total Requirements</b>	-	38,828,670	36,214,901	36,214,901

### Major Adjustments in the Executive Budget Request: (general funds unless noted)

- 1. Deletes 22.00 vacant permanent positions and \$1,839,271 in the Plant Industry Division.
- 2. Deletes 3.00 vacant permanent positions and \$258,764 in Quality Assurance Division, Commodities Branch.
- 3. Deletes 1.00 vacant permanent position and \$139,597 in Agricultural Development and Marketing.
- 4. Deletes 3.00 vacant permanent positions and \$112,284 in the Measurement Standards Branch.
- 5. Deletes \$492,962 for agricultural commodities research from Agricultural Development and Marketing.
- 6. Changes the means of financing from general to special funds for 13.00 permanent positions and 1.00 temporary position and adds \$565,000 in special funds in the Plant Industry Division.
- 7. Changes the means of financing from general to special funds for 3.30 permanent positions and adds \$225,444 in special funds in the Animal Industry Division.

#### OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

PROGRAM STRUCTURE NO.

PROGRAM TITLE:

#### DEPARTMENT OF AGRICULTURE

PROCESS		IN DOLLA				IN THOUS		
PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST	353.00*	355.00*	325.00*	325.00*	324.9*	324.9*	324.9*	324.9
PERSONAL SERVICES	18,428,511	21,707,811	22,249,132	22,249,132	22,248	22,248	22,248	22,248
OTHER CURRENT EXPENSES	10,717,806	16,120,771	13,900,769	13,900,769	13,900	13,900	13,900	13,900
EQUIPMENT	648,731	136,500	35,000	35,000	35	35	35	35
MOTOR VEHICLE	203,884	99,200	30,000	30,000	30	30	30	30
TOTAL OPERATING COST	29,998,932	38,064,282	36,214,901	36,214,901	36,213	36,213	36,213	36,213
BY MEANS OF FINANCING		-74						
	276.00*	276.00*	224.70*	224.70*	224.6*	224.6*	224.6*	224.6
GENERAL FUND	17,086,377	16,482,274	13,609,612	13,609,612	13,609	13,609	13,609	13,609
	50.00*	52.00*	69.30*	69.30*	69.3*	69.3*	69.3*	69.3
SPECIAL FUND	4,054,574	5,817,395	6,948,501	6,948,501	6,949	6,949	6,949	6,949
	1.00*	1.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0
OTHER FED. FUNDS	914,475	2,002,276	2,010,549	2,010,549	2,010	2,010	2,010	2,010
	*	*	*	*	*	*	*	*
TRUST FUNDS	498,808	812,962	812,962	812,962	813	813	813	813
*	9.00*	9.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0
INTERDEPT. TRANSFER	1,237,344	1,845,674	1,430,203	1,430,203	1,430	1,430	1,430	1,430
	17.00*	17.00*	20.00*	20.00*	20.0*	20.0*	20.0*	20.0
REVOLVING FUND	6,207,354	11,103,701	11,403,074	11,403,074	11,402	11,402	11,402	11,402
CAPITAL IMPROVEMENT COSTS								
PLANS	920,000	51,000	575.000	i i	400	400		
LAND ACQUISITION	100,000	13,299,000	3.3,000					
DESIGN	1,986,000	401,000	765,000	100,000	100	100	100	100
CONSTRUCTION	17,519,000	8,112,000	9,010,000	9,495,000	400	400	400	400
TOTAL CAPITAL EXPENDITURES	20,525,000	21,863,000	10,350,000	9,595,000	900	900	500	500
		************						
BY MEANS OF FINANCING								
G.O. BONDS	19,025,000	20,257,000	5,000,000	5,000,000	700	700	500	500
OTHER FED. FUNDS	1,500,000	1,606,000	5,350,000	4,595,000	200	200		
OTAL POSITIONS	353.00*	355.00*	325.00*	325.00*	324.90*	324.90*	324.90*	324.90×
	50,523,932	59,927,282	46,564,901	45,809,901	37,113	37,113	36,713	36,713

### Department of Agriculture (Capital Improvements Budget)

	FY 2010	FY 2011
<b>Funding Sources:</b>		
General Obligation Bonds	5,000,000	5,000,000
Federal Funds	350,000	4,595,000
Total Requirements	5,350,000	9,595,000

#### Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

- 1. Provides \$350,000 in FY 10 and \$1,000,000 in FY 11 for the Molokai and Waimea Hydropower Plant.
- 2. Provides \$3,500,000 in FY 10 for Molokai Irrigation System Improvements.
- 3. Provides \$200,000 in FY 10 and \$2,000,000 in FY 11 for Waimea Transfer Ditch
- 4. Provides \$500,000 in FY 10 and \$500,000 in FY 11 for health, safety, code and other requirements.
- 5. Provides \$50,000 and \$150,000 in matching federal funds in FY 10 and \$1,500,000 and \$4,595,000 in matching federal funds in FY 11 for Waiahole Ditch Irrigation System Reservoir Improvements.
- 6. Provides \$200,000 and \$200,000 in matching federal funds in FY 10 for the State Agricultural Water Use and Development Plan.
- 7. Provides \$200,000 in FY 10 for Kahuku Agricultural Park Subdivision Improvements.

STATE OF HAWAII

PROGRAM ID

### REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

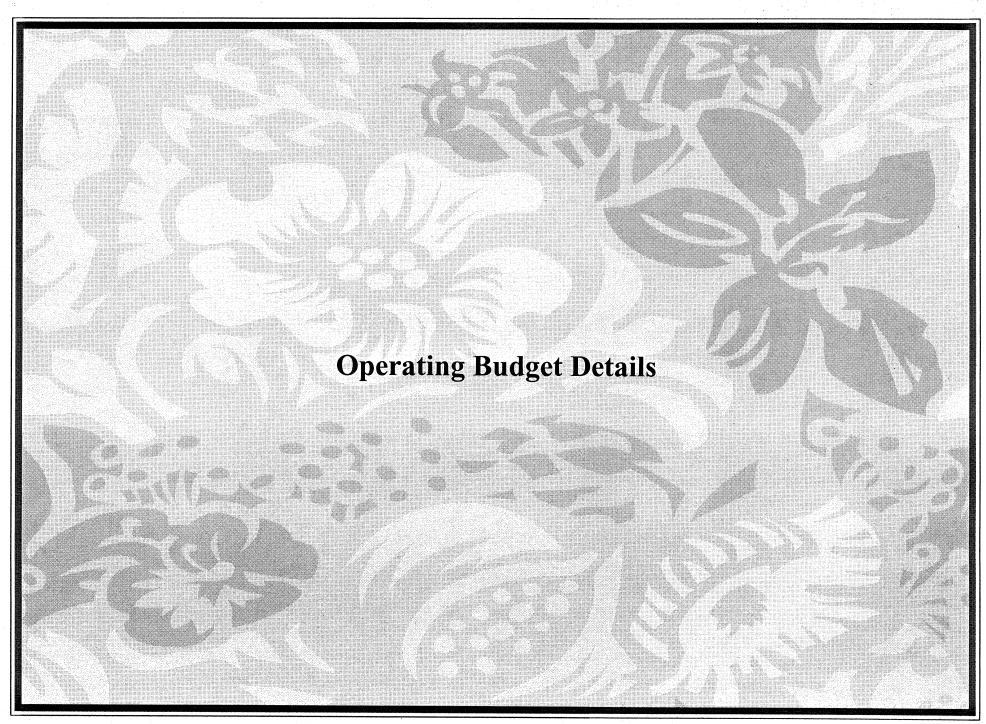
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PROGRAM STRUCTURE NO.

PROGRAM TITLE

DEPARTMENT OF AGRICULTURE

PROJECT	PRIORITY	LOC SCOPE	PRO	JECT TITLE									
NUMBER	NUMBER						BUDGET P	ERIOD					
			PROJECT	PRIOR	FY	FY	FY	FY	FY	FY	FY	FY	SUCCEED
	t.	COST ELEMENT/MOF	TOTAL	YRS	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	YEARS
		PLANS	5,723	3,377	920	 51	575		400	400			
		LAND	14,090	890	100	13,100							
		DESIGN	10,768	6,754	1,986	763	765	100	100	100	100	100	
		CONSTRUCTION	110,736	65,163	17,519	12,949	4,010	9,495	400	400	400	400	
		EQUIPMENT	1,035	1,035		•							
		TOTAL	142,352	77,219	20,525	26,863	5,350	9,595	900	900	500	500	
		GENERAL FUND	135	135									
		G.O. BONDS	113,179	61,497	19,025	20,257	5,000	5,000	700	700	500	500	
		OTHER FED. FUN	29,038	15,587	1,500	6,606	350	4,595	200	200			



PROGRAM ID:

PROGRAM STRUCTURE NO. 01

PROGRAM TITLE:

ECONOMIC DEVELOPMENT

		IN DOLLA	RS	!		TN THOUS	ANDS	
PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST	315.00*	317.00*	291.00*	291.00*	290.9*	290.9*	290.9*	290.9
PERSONAL SERVICES	16,652,398	19,705,570	20,207,098	20,207,098	20,206	20,206	20,206	20,206
OTHER CURRENT EXPENSES	9,935,995	15,393,203	13,173,201	13,173,201	13,173	13,173	13,173	13,173
EQUIPMENT	477,472	126,500	35,000	35,000	35	35	35	35
MOTOR VEHICLE	203,884	70,800	30,000	30,000	30	30	30	30
TOTAL OPERATING COST	27,269,749	35,296,073	33,445,299	33,445,299	33,444	33,444	33,444	33,444
BY MEANS OF FINANCING								
	243.00*	243.00*	199.70*	199.70*	199.6*	199.6*	199.6*	199.6
GENERAL FUND	15,475,654	14,905,359	12,276,258	12,276,258	12,276	12,276	12,276	12,276
	50.00*	52.00*	69.30*	69.30*	69.3*	69.3*	69.3*	69.3
SPECIAL FUND	4,054,574	5,817,395	6,948,501	6,948,501	6,949	6,949	6,949	6,949
	*	*	*	*	*	*	*	*
OTHER FED. FUNDS	561,363	1,576,452	1,545,359	1,545,359	1,545	1,545	1,545	1,545
	*	*	*	*	*	*	*	_,_,_,
TRUST FUNDS	498.808	812,962	812,962	812,962	813	813	813	813
	9.00*	9.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0
INTERDEPT. TRANSFER	1,237,344	1,845,674	1,430,203	1,430,203	1,430	1,430	1,430	1,430
	13.00*	13.00*	13.00*	13.00*	13.0*	13.0*	13.0*	13.0
REVOLVING FUND	5,442,006	10,338,231	10,432,016	10,432,016	10,431	10,431	10,431	10,431
CAPITAL IMPROVEMENT COSTS		. •						
	000 000	<b>51</b> 000		i				
PLANS	920,000	51,000	575,000	į	400	400		
LAND ACQUISITION	100,000	13,299,000			1.0		4 Table 1981	
DESIGN	1,986,000	401,000	765,000	100,000	100	100	100	100
CONSTRUCTION	17,519,000	8,112,000	9,010,000	9,495,000	400	400	400	400
TOTAL CAPITAL EXPENDITURES	20,525,000	21,863,000	10,350,000	9,595,000	900	900	500 	500 =====
DV NEADO OF FEMANOTIO								
BY MEANS OF FINANCING	10 005 055	00 057 005	<b>7</b>					
G.O. BONDS	19,025,000	20,257,000	5,000,000	5,000,000	700	700	500	500
OTHER FED. FUNDS	1,500,000	1,606,000	5,350,000	4,595,000	200	200		
OTAL POSITIONS	315.00*	317.00*	291.00*	291.00*	290.90*	290.90*	290.90*	290.90
TOTAL PROGRAM COST	47,794,749	57.159.073	43,795,299	43,040,299	34,344	34,344	33,944	33,944

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PROGRAM ID:

AGR101

PROGRAM STRUCTURE NO. 010301

PROGRAM TITLE:

FINANCIAL ASSISTANCE FOR AGRICULTURE

· · · · · · · · · · · · · · · · · · ·		IN THOUSANDS						
PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES	10.00* 708,490 1,199,133	10.00* 770,377 5,334,659	10.00* 822,684 5,334,659	10.00* 822,684 5,334,659	10.0* 823 5,335	10.0* 823 5,335	10.0* 823 5,335	10.0* 823 5,335
EQUIPMENT	109							
TOTAL OPERATING COST	1,907,732	6,105,036	6,157,343	6,157,343	6,158	6,158	6,158	6,158
BY MEANS OF FINANCING								
	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
SPECIAL FUND REVOLVING FUND	934,344 973,388	1,105,036 5,000,000	1,157,343 5,000,000	1,157,343   5,000,000	1,158 5,000	1,158 5,000	1,158 5,000	1,158 5,000
TOTAL POSITIONS	10.00*	10.00*	10.00*	10.00*	10.00*	10.00*	10.00*	10.00*
TOTAL PROGRAM COST	1,907,732	6,105,036	6,157,343	6,157,343	6,158	6,158	6,158	6,158
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#### STATE OF HAWAII

#### PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:
PROGRAM STRUCTURE:
PROGRAM TITLE:
PROGRAM TITLE:
PINANCIAL ASSISTANCE FOR AGRICULTURE

	FY	FY	FY	FY	FY	FY	FY	FY
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
MEASURES OF EFFECTIVENESS  1. NUMBER OF LOANS APPROVED 2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED (000'S) 3. ANNUAL ACREAGE CULTIVATED BY BORROWERS 4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER 5. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS	23	25	25	25	25	25	25	25
	2121.5	4500	4500	4500	4500	4500	4500	4500
	48844	45000	45000	45000	45000	45000	45000	45000
	1273	1300	1300	1300	1300	1300	1300	1300
	0	1000	1000	1000	1000	1000	1000	1000
PROGRAM TARGET GROUPS  1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS  2. POTENTIAL QUALIFED AQUACULTURISTS  3. AGRICULTURE/AQUACULTURE COOPERATIVES  4. COMMERCIAL BANKS	5500	5500	5500	5500	5500	5500	5500	5500
	80	80	80	80	80	80	80	80
	25	25	25	25	25	25	25	25
	10	10	10	10	10	10	10	10
PROGRAM ACTIVITIES  1. NUMBER OF PUBLIC RELATIONS CONTACTS 2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS 3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION 4. AMOUNT COLLECTED BY PROGRAM (000'S)	NO DATA	75	75	75	75	75	75	75
	NO DATA	1200	1200	1200	1200	1200	1200	1200
	NO DATA	325	325	325	325	325	325	325
	2.73	2.75	2.75	2.75	2.75	2.75	2.75	2.75
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) REVENUES FROM THE USE OF MONEY AND PROPERTY NON-REVENUE RECEIPTS TOTAL PROGRAM REVENUES	1,341	1,405	1,361	1,374	1,391	1,410	1,425	1,443
	2,087	1,630	1,776	1,858	1,924	1,654	1,588	1,709
	3,428	3,035	3,137	3,232	3,315	3,064	3,013	3,152
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) GENERAL FUNDS SPECIAL FUNDS ALL OTHER FUNDS TOTAL PROGRAM REVENUES	2 1,341 2,085 3,428	1,405 1,630 3.035	1,361 1,776 3.137	1,374 1,858 3,232	1,391 1,924 3,315	1,410 1,654 3,064	1,425 1,588 3,013	1,443 1,709 3,152

#### A. Statement of Program Objectives

To promote the agricultural and aquacultural development of the State by stimulating, facilitating, and granting loans and providing related financial services to qualified farmers, new farmers, food manufacturers, and aquaculturists that meet program qualification requirements.

#### B. <u>Description of Request and Compliance with Section 37-68(1)(A)(B)</u>

The budget request for the FB 2009-11 reflects a current services funding level based on the FY 09 allocation. There are no additional funds or programs being requested.

#### C. <u>Description of Activities Performed</u>

Assist farmers (including new farmers and farm organizations) and aquaculturists in securing credit from private lenders through participation with lenders, insuring private lender loans and providing cooperating with other lenders.

The program's activities include providing direct loans to farmers who are unable to obtain credit from private lenders. The program operates several agricultural loan programs including qualified farmer, new farmer, food manufacturer for operations that utilize Hawaii-grown agricultural commodities and agricultural cooperatives providing a farm service to its members. An aquaculture loan program is available to assist qualified aquaculture operations. The program can fund emergency loans to help farm operations recover natural and economic disasters and may also provide operating loans to farmers on Department of Hawaiian Home Lands. The program also has an expedited loan program for loans \$25,000 and under. As a lender of last resort special emphasis is placed on loan servicing, including management and financial counseling.

During FY 2008, 23 loans were approved totaling \$2,121,500. The Division provided 8 emergency loans for operations that were affected by the heavy rains, flooding and wildfires that affected the State in late 2007. The Division also provided loans for land purchase, expansion of farm operations and a variety of operating loans. The Program modified 9 loans to assist farmers with changes in lien positions, releases of collateral and payment relief.

#### D. Statement of Key Policies Pursued

Expand both the Agricultural and Aquacultural Loan Programs to further diversify this sector of the State's economic base.

Facilitate financing by other lenders such as banks, farm credit banks and other credit sources. Expand credit sources by seeking additional funding resources through participation, insured and cooperating loans and by facilitating loans by other lenders to maximize the State's limited resources.

Provide agriculture and aquaculture producers with credit during times of emergency when other sources of financing is not available.

Policies are in accordance with the economic objectives of the State Agriculture Plan's economic implementing actions for diversified agriculture and aquaculture (Chapter VI D).

#### E. Identification of Important Program Relationships

A constant liaison is maintained with various private lenders; farmer organizations; farm credit banks; various U.S., State, and County agencies such as the Farm Service Agency and the University of Hawaii.

Most of the borrowers under the Agricultural and Aquacultural Loan Programs require considerable oversight in management and financial counseling. A close

relationship with the borrower is required to monitor the borrowers' progress and to prevent or reduce financial difficulties.

#### F. Description of Major External Trends Affecting the Program

The current difficult economy and tightening of credit by private lenders has resulted in an increase of requests for payment relief from existing borrowers and inquiries for loans to assist struggling companies. It is anticipated that these requests and inquiries will increase should the current economic difficulties increase or be sustained over a longer period.

The Division will need to increase monitoring of existing accounts to address problems early to minimize problems and reduce possible delinquencies. The Division is entirely funded from interest collections on loans and cash flow will need to be closely monitored.

The Division will need to maintain a balance between assisting struggling companies and the need to maintain the quality of its loan portfolio. Loan requests to assist struggling companies will have to be carefully analyzed to determine if a loan would be feasible or if the additional debt would be exacerbate the situation.

#### G. Discussion of Cost, Effectiveness, and Program Size Data

The program has a budgeted ceiling of \$4.5 million for agricultural loans and \$.5 million for aquaculture loans. For the first five months of the FY09, the Program has approved 11 loans totaling \$1.58 million and will be submitting \$1.275 million in loans for December totaling \$2.855 million in agricultural loans. Demand for loans remain high due to a new renewable energy loan program and the tightening of credit by commercial bankers.

#### H. Discussion of Program Revenue

Revenues are generated through interest and fees collected on loans. These revenues are deposited into the Agricultural Loan Reserve Fund or the Aquaculture Loan Reserve Fund. Principal payments are deposited into the Agricultural Loan Revolving Fund or the Aquaculture Loan Revolving Fund. The Department has the flexibility to transfer funds between the Agricultural Loan Revolving Fund and the Aquaculture Loan Revolving Fund, as the need arises.

#### I. Summary of Analysis Performed

None

#### J. Further Consideration

None

#### OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR122

PROGRAM STRUCTURE NO. 01030201

PROGRAM TITLE:

PLANT PEST AND DISEASE CONTROL

		IN DOLLA	RS			IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST	147.00*	147.00*	125.00*	125.00*	125.0*	125.0*	125.0*	125.0
PERSONAL SERVICES	6,647,518	8,642,320	8,362,709	8,362,709	8,361	8,361	8,361	8,361
OTHER CURRENT EXPENSES	2,342,197	1,869,076	831,714	831,714	831	831	831	831
EQUIPMENT	218,399	43,000	35,000	35,000	35	35	35	35
MOTOR VEHICLE	53,638	30,000	30,000	30,000	30	30	30	30
TOTAL OPERATING COST	9,261,752	10,584,396	9,259,423	9,259,423	9,257	9,257	9,257	9,257
					,			
BY MEANS OF FINANCING				1				
	138.00*	138.00*	103.00*	103.00*	103.0*	103.0*	103.0*	103.0
GENERAL FUND	7,540,142	7,212,611	5,810,275	5,810,275	5,810	5,810	5,810	5,810
	*	*	13.00*	13.00*	13.0*	13.0*	13.0*	13.0
SPECIAL FUND		565,464	1,110,464	1,110,464	1,110	1,110	1,110	1,110
	*	*	*	*	*	*	*	*
OTHER FED. FUNDS	430,888	810,183	818,383	818,383	817	817	817	817
	*	*	*	*	*	*	*	*
TRUST FUNDS	471,707	512,962	512,962	512,962	513	513	513	513
	9.00*	9.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0
INTERDEPT. TRANSFER	812,825	1,424,816	956,979	956,979	957	957	957	957
REVOLVING FUND	6,190	58,360	50,360	50,360	50	50	50	50
CAPITAL IMPROVEMENT COSTS				į				
DESIGN		1,000						
CONSTRUCTION		4,999,000	5,000,000					
TOTAL CAPITAL EXPENDITURES		5,000,000	5,000,000					
BY MEANS OF FINANCING G.O. BONDS OTHER FED. FUNDS		5,000,000	5,000,000					
OTAL POSITIONS OTAL PROGRAM COST	147.00* 9,261,752	147.00* 15,584,396	125.00* 14,259,423	125.00* 9,259,423	125.00* 9,257	125.00* 9,257	125.00* 9,257	125.00* 9,257

PROGRAM ID:

**AGR122** 

PROGRAM STRUCTURE: PROGRAM TITLE:

PLANT PEST AND DISEASE CONTROL

FY FY 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 MEASURES OF EFFECTIVENESS % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT .0089 .009 .009 .001 .002 .002 .0025 .003 NUMBER OF INSECT INTERCEPTIONS #INTERCEPTED INSECT SPECIES NOT OCCURRING IN HI # OF PROHIBITED ANIMALS INTERCEPTED OR CONFISCATED % OF CHEM/MECH CNTRL PROJ UNDER HI LEVEL OF CNTRL 35 35 % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL COMPLIANCE RATE CERT NURS & PT OF ORIGIN EXP INSP PROGRAM TARGET GROUPS NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS) 1. 38.728 38.574 40.131 40.933 41.751 42.586 43.437 44.305 NUMBER PASSENGER ARRIVALS BY AIR AND SEA (THOUS) 5838.7 5838.7 5955.5 6074.1 6195.5 6319.4 6445.7 6869.1 3. NO. OF REGULATED BAGGAGE, CARGO AND MAIL (THOUS) .119 .119 .135 .138 .121 .125 .13 .14 NUMBER OF IMPORT PERMIT REQUESTS NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS NUMBER OF CERTIFIED NURSERIES NUMBER OF NEW NOXIOUS WEED INFESTATIONS NUMBER OF WIDESPREAD NOXIOUS WEED INFESTATIONS NO. OF NEW INFESTATIONS OF INSECTS AND OTHER PESTS 10. NO. OF WIDESPREAD INFEST OF INSECTS AND OTHER PEST **PROGRAM ACTIVITIES** NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS) NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUS) 5838.6 6422.4 6681.8 6815.4 6951.7 7090.3 6869.1 6550.8 NO. OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUS) NUMBER OF POST-ENTRY INSPECTIONS CONDUCTED NUMBER OF CERTIFIED NURSERY INSPECTIONS
NUMBER OF CHEM/MECH CNTRL AND ERADICATION PROJECTS 6. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS)
SEED TEST AND ANALYSIS (NUMBER OF LOTS) ≥10 PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) LICENSES, PERMITS, AND FEES REVENUE FROM OTHER AGENCIES: FEDERAL CHARGES FOR CURRENT SERVICES NON-REVENUE RECEIPTS 1,209 1,209 TOTAL PROGRAM REVENUES 1.415 1,209 1,209 1,209 1,209 1,209 PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) GENERAL FUNDS SPECIAL FUNDS 1,036 ALL OTHER FUNDS TOTAL PROGRAM REVENUES 1.415 1.209 1.209 1.209 1.209 1,209 1,209 1.209

#### A. Statement of Program Objectives

To protect Hawaii's agricultural and horticultural industries, natural resources, and general public by preventing the introduction and establishment of harmful insects, diseases, illegal non-domestic animals, and other pests; to conduct effective plant pest control activities; and to enhance agricultural productivity and agribusiness development by facilitating export shipments of agricultural and horticultural materials and products.

#### B. <u>Description of Request and Compliance with Section 37-68(1)(A)(B)</u>

The FB 09-11 budget reflects an adjustment to the current services funding level based on the FY 09 allocation. Budget requests include transferring general funded positions and funds to special funds and deleting positions and other current expenses to comply with mandatory reductions.

#### C. <u>Description of Activities Performed</u>

This program protects Hawaii's agricultural industries and natural resources against the entry and spread of harmful insects, diseases, and other pests including noxious weeds through the following activities: a) Review and issuance of importation permits for all non-domestic animals, plants, and microorganisms; b) Inspection of all agricultural materials and surveillance of personal baggage arriving from domestic ports through civilian and military aircraft and surface vessels; c) Inspection, as needed, of agricultural materials arriving from foreign ports through civilian and surface vessels; d) Inspection of military and domestic aircraft and cargo from Guam for brown tree snakes;

- e) Investigation of illegal entry of plants, non-domestic animal and microorganisms;
- f) Seminars and lectures to assure public awareness of the environmental impact of illegal animals and other alien species; g) Inspection of agricultural mail parcels including first class mail (plants only but not animals); h) Inspection of agricultural products and horticultural materials and non-domestic animals transported between the islands;
- i) Inspection, treatment when required, and certification of horticultural materials and agricultural products for export to the U.S. mainland or to foreign countries;
- j) Surveillance, detection, identification and mapping of plant pathogens, weeds, insects,

and other invertebrate pests new to the State of Hawaii; k) Worldwide exploration for and study in quarantine of potential beneficial organisms to control priority pests in Hawaii; l) Biological control of priority weeds, insects, and other invertebrates using beneficial pathogens, parasitoids, and other organisms; m) Chemical/mechanical control of plant pathogens, noxious weeds, insects, plant diseases and other pests to eradicate, contain, or control their numbers to reduce damage and "buy time" for biocontrol activities to be explored; n) Chemical control of weeds where supervision and/or expertise is provided to landowners and land occupiers or where cooperative assistance is sought from private sector and other state, federal, or county agencies.

#### D. Statement of Key Policies

To maintain an effective plant and non-domestic animal quarantine program to reduce the number of new plant pest and disease introductions into Hawaii; to assist the agricultural and horticultural industries and the general public of Hawaii to meet the quarantine requirements of other states and countries for the export of their products through inspection, disinfestation and certification services.

To eradicate incipient plant pest infestations of importance to the agricultural industry. When infestations become widespread and eradication becomes economically unfeasible, controls by chemical, biological and integrated means are employed to lessen the adverse impact of these pests on agricultural crops. Control by biological means is employed to lessen the adverse effects of pests in forests and conservation lands and to moderate the use of pesticides on agricultural crops where possible.

#### E. <u>Identification of Important Program Relationships</u>

The USDA, Plant Protection and Quarantine and Federal Homeland Security, Customs and Border Protection and the HDOA, Plant Quarantine Programs have similar roles in preventing the entry of agricultural pests into Hawaii. The USDA and CBP programs cover inspections of all foreign arrivals while the HDOA's role is the inspection of all domestic arrivals. USDA's Agricultural Research Service, U.S. Forest Service and the University of Hawaii (UH) conduct biocontrol research coordinated with the HDOA. The UH conducts research on chemicals for pest control and coordinates with HDOA for field-

testing, education and dissemination of information relating to control of noxious weeds and other plant pests. The HDOA also: a) Works closely with the USDA-APHIS to develop a strong pest and pathogen surveillance and detection system under the Cooperative Agricultural Pest Survey Program, and with UH-CTAHR in developing pest control strategies for pests, like coqui frog and nettle caterpillar; b) Coordinates efforts with the State Departments of Health, Transportation, Education, Land and Natural Resources, and Hawaiian Home Lands, various county departments, and federal agencies conduct pest control programs; and c) Assists the Departments of Health and Land and Natural Resources as well as other Federal and private agencies in conducting risk assessment reviews of organisms before seeking approval for entry into the State.

#### F. Description of Major External Trends Affecting the Program

The Federal Plant Protection Act prohibits states from imposing restrictions more stringent then federal quarantines so Hawaii cannot impose special requirements (e.g., treatment of plants prior to shipment) to prevent entry of certain high-risk pests such as the redimported-fire ant. The Act further prohibits states from regulating foreign commerce. As a result, Hawaii has no authority to prevent the transshipment of high-risk agricultural products through the state in transit to U.S. mainland markets if approved by USDA. Invasive species are an international concern and many believe Hawaii needs to do more to prevent entry of non-native plants and animals. Others have expressed concern that Hawaii's restrictive quarantine regulations stifle research and economic development. Research on the use of beneficial insects and pathogens for the control of harmful insects and weeds has become increasingly difficult as a result of federal and state regulations in place to prevent the introduction of invasive species.

#### G. Discussion of Cost, Effectiveness and Program Size Data

The FB 2009-11 funding level will not result in any new programs unless existing programs are re-prioritized.

#### H. Discussion of Program Revenues

Program revenues are generated from fees collected on services provided for: (1) import permits and related inspections; (2) burrowing nematode testing; (3) nursery certifications; (4) quarantine housing; (5) issuing citations; (6) honey bee certifications; (7) issuing seed importers' licenses; and (8) seed testing. The FY 2008 Legislature approved Act 3 which established a State Plant Quarantine user fee for the inspection of cargo entering Hawaii. The fee of \$0.50 per 1,000 pounds of cargo will to be assessed by carriers and received by the HDOA into a Pest

Quarantine, Inspection and Eradication Special Fund to support department pest prevention and control programs.

#### I. Summary of Analysis Performed

None.

#### J. Further Consideration

No new programs can be implemented without re-prioritization. More cooperation and participation is being sought from industry, the private sector and other government agencies directly or through the Coordinated Group on Alien Pest Species to facilitate and/or participate in pest control and certification activities.

REPORT P61-A

PROGRAM ID:

AGR131

PROGRAM STRUCTURE NO. 0103020201

PROGRAM TITLE:

RABIES QUARANTINE

		IN DOLLAR	?\$	IN THOUSANDS				
PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST	32.00*	32.00*	35.30*	35.30*	35.3*	35.3*	35.3*	35.3*
PERSONAL SERVICES	1,694,067	1,924,579	2,291,800	2,291,800	2,292	2,292	2,292	2,292
OTHER CURRENT EXPENSES	684,480	1,107,455	1,007,455	1,007,455	1,007	1,007	1,007	1,007
EQUIPMENT	61,609							
MOTOR VEHICLE	· · · · · · · · · · · · · · · · · · ·	20,800						
TOTAL OPERATING COST	2,440,156	3,052,834	3,299,255	3,299,255	3,299	3,299	3,299	3,299
				1			Court and the last top of the	
BY MEANS OF FINANCING				1				
GENERAL FUND		100,000		į				
	32.00*	32.00*	35.30*	35.30*	35.3*	35.3*	35.3*	35.3*
SPECIAL FUND	2,440,156	2,952,834	3,299,255	3,299,255	3,299	3,299	3,299	3,299
TOTAL POSITIONS	32.00*	32.00*	35.30*	35.30*	35.30*	35.30*	35.30*	35.30*
TOTAL PROGRAM COST	2,440,156	3,052,834	3,299,255	3,299,255	3,299	3,299	3,299	3,299

#### PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:
PROGRAM STRUCTURE:
PROGRAM TITLE:

AGR131
0103020201
RABIES QUARANTINE

	FY							
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
MEASURES OF EFFECTIVENESS  1. NUMBER OF RABIES CASES IN THE COMMUNITY 2. NUMBER OF ALIEN PESTS DETECTED	0	0	0 1	0	0	0	0 1	0
PROGRAM TARGET GROUPS  1. DOGS AND CATS QUARANTINED  2. POPULATION OF HAWAII	1659	1495	1495	1560	1600	1600	1600	1600
	1285498	1285000	1285000	1285000	1285000	1285000	1285000	1285000
PROGRAM ACTIVITIES  1. NUMBER OF DOGS AND CATS QUARANTINED- 120 DAYS 2. NO. OF DOGS & CATS QUARANTINED- LESS THAN 120 DAYS 3. NO. QUAL DOGS & CATS RELEASD AFTER INSP UPON ARRVL 4. NUMBER OF DOGS AND CATS QUARANTINED- TRANSIT 5. NO. OF SATELLITE & APPROVED VET FACILITY MONITORED 6. NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES 7. NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES 8. NO. SVC DOGS & ELIGIBLE GUIDE DOG ENTRIES PROCESED	649	585	585	585	585	585	585	585
	1010	910	910	960	1000	1000	1000	1000
	7845	7450	7450	7650	7840	7850	7860	7860
	321	300	300	310	320	320	320	320
	33	33	33	33	33	33	33	33
	2	2	2	2	2	2	2	2
	2308	2308	2308	2308	2308	2308	2308	2308
	251	255	260	265	270	280	290	300
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) REVENUES FROM THE USE OF MONEY AND PROPERTY CHARGES FOR CURRENT SERVICES TOTAL PROGRAM REVENUES	59	55	50	40	30	30	30	30
	2,589	2,400	2,350	2,350	2,350	2,350	2,350	2,350
	2,648	2,455	2,400	2,390	2,380	2,380	2,380	2,380
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) SPECIAL FUNDS TOTAL PROGRAM REVENUES	2,648	2,455	2,400	2,390	2,380	2,380	2,380	2,380
	2,648	2,455	2,400	2,390	2,380	2,380	2,380	2,380

AGR 131 Rabies Quarantine 01 03 02 02 01

#### A. Statement of Program Objectives

To protect animal and public health by preventing the introduction of rabies and animal diseases in imported cats and dogs through import regulation, quarantine and monitoring of animal entries for alien pests and diseases.

#### B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The budget request for the FB 2009 –11 reflects the current services funding level based on FY 09 allocation. A budget request is being submitted to transfer and change MOF from AGR 132, (0.25) Janitor, (0.25) Veterinary Program Administrator, (0.35) Secretary, 4 X (0.49) Livestock Inspector and (0.49) Microbiologist permanent positions to AGR 131. These transfers and change in MOF reflect program support provided by these positions

#### C. <u>Description of Activities Performed</u>

Dogs and cats meeting specific pre and post arrival requirements may qualify for direct release at Honolulu International Airport after inspection. All other cats, dogs and related carnivore entering Hawaii, except from designated rabies free areas, are confined at the Animal Quarantine Station in order to observe these animals for symptoms of rabies. The Animal Quarantine Station in Halawa Valley and the Airport Animal Holding Facility located at the Honolulu International Airport are maintained to carry out these activities.

#### D. Statement of Key Policies Pursued

Reduce the likelihood that rabies virus will be introduced and established in Hawaii and prevent the introduction of alien species of external animal parasites such as ticks. A 120-day confinement of cats, dogs, and other carnivores is considered one method to prevent the introduction of rabies from areas with significant rabies incidence, (such as the continental United States), into rabies free areas such as

Hawaii. An alternative program was implemented in 1997 to allow for 30-day animal confinement if specific pre and post-arrival requirements were met. Such requirements include implantation of an electronic microchip for identification, two rabies vaccinations administered no less than 90 days apart and at least 90 days before arrival, and demonstration of an acceptable level of rabies serum antibodies at least 90 days before arrival. In June 2003 a five days or less program was added with the difference that an acceptable level of rabies serum antibodies must be demonstrated at least 120 days before arrival. Pets qualified for this new option may be released directly to the owner at Honolulu International Airport after inspection or quarantined for 1 to 5 days.

#### E. <u>Identification of Important Program Relationships</u>

Activities are coordinated with the Livestock Disease Control Branch, Animal Industry Division, with respect to the inspection of dogs and cats entering the State.

#### F. Description of Major External Trends Affecting the Program

Movements of civilian and military communities contribute to the fluctuation in animals arriving in the Hawaii each year. The five day or less program was modified in February 2004 to ease restrictions for resident Hawaii dogs and cats to travel out of the State and return in addition to allowing animals that arrive before 120 days after passing the rabies serological test to qualify for a reduced confinement option by remaining in quarantine until the 120 day "waiting period" is completed. A trend towards more animals qualifying for five day or less and direct airport release has resulted in fewer animals in quarantine. Addition of the neighbor island entry program in FY 2007 allows qualified animals to fly direct from the continental U.S. to airports at Kona, Kahului and Lihue. Pet owners desiring to fly direct to these airports must: qualify their dog or cat for direct airport release; contract with private, state approved contractor to receive, inspect and process the animal at the neighbor island airport; and apply for a Neighbor Island Inspection Permit with the department more than 30 days before intended arrival.

AGR 131 Rabies Ouarantine 01 03 02 02 01

Utilizing private approved contractors is necessary because the program does not have staff on the neighbor islands. Overall, changes with the quarantine program resulted in nearly a 100% increase in the number of incoming dogs and cats since 2002.

#### G. Discussion of Cost, Effectiveness, and Program Size Data

The rabies quarantine program is a special fund program and must, therefore, operate on a self-supporting basis. Ensuring operational costs remain within revenues while adjusting fee structure and expenditures is a management challenge. For example, although reductions were made in operating costs and the total number of permanent positions within the Animal Quarantine Program was reduced from 45 (all at the animal quarantine station) to 34 in FY 03, (32 at the animal quarantine station and 2 at the airport), program expenditures exceeded revenue in FY 04. Currently, the program has 32 positions.

#### H. Discussion of Program Revenue

Program revenue is primarily derived from fees for dogs and cats processed through or quarantined by the program. Currently, fees implemented in July 1999 and amended in July 2003 that added the five day or less program, are in effect. Due to the success of the 5-day or less program and direct release from the airport, the high qualification rate (exceeding 84% for FY 08) of animals in these categories has shifted income to lower revenue categories. Increased number of animals entering the State has allowed the program revenue to exceed expenditures in recent years. However, actions that transfer money from the animal quarantine special fund to the general fund may have a substantial negative impact on the financial stability of the program. In addition, unforeseen factors that reduce on the number of animals entering the state will have negative effects on program revenue.

#### I. Summary of Analysis Performed

Experience gained through the administering of the five-day-or-less program will make any further modifications easier to implement as well as provide data resulting from prior modifications. Initial effects on the population of animals at the Animal Quarantine Station resulted in the reduction of work force implemented in FY 04. Any future fee adjustments will be based on analysis of expenditures and revenue relative to animal entry dynamics. The program is currently anticipating a lower number animals entering the state in FY 2009 and associated decrease in revenue.

#### J. Further Considerations

The program is in the final stages of rule amendments to further refine the 5-day-orless program.

#### OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR132

PROGRAM STRUCTURE NO. 0103020202

PROGRAM TITLE:

ANIMAL DISEASE CONTROL

FY2007-08 	FY2008-09 	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
	24 NO*						
1,622,492 216,475 45,736 24,671	1,718,338	20.70* 1,740,428 406,187	20.70* 1,740,428 406,187	20.6* 1,741 405	20.6* 1,741 405	20.6* 1,741 405	20.6* 1,741 405
1,909,374	2,205,025	2,146,615	2,146,615	2,146	2,146	2,146	2,146
24.00* 1,371,064	24.00* 1,341,937	20.70* 1,295,454	20.70* 1,295,454	20.6* 1,295	20.6* 1,295	20.6* 1,295	20.6* 1,295
113,791 *	442,230 *	377,937 *	377,937	378	378 <sup>*</sup>	378 <sup>*</sup>	378 <sup>*</sup>
424,519	420,858	473,224	473,224	473	473	473	473
24.00* 1,909,374	24.00* 2,205,025	20.70* 2,146,615	20.70* 2,146,615	20.60* 2,146	20.60* 2,146	20.60* 2,146	20.60* 2,146
	216,475 45,736 24,671 1,909,374 	216,475 406,187 45,736 80,500 24,671 1,909,374 2,205,025 	216,475	216,475	216,475	216,475	216,475

#### PERFORMANCE MEASURES AND PROGRAM REVENUES

STATE OF HAWAII

PROGRAM ID: AGR132
PROGRAM STRUCTURE: 0103020202
PROGRAM TITLE: ANIMAL DISEASE CONTROL

	FY	FY	FY	FY	FY	FY	FY	FY
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
MEASURES OF EFFECTIVENESS  1. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED 2. NO.OF OIE DISEASES OF LVSTK & POLTRY NOT IN STATE 3. NO. DISEASE CNTRL & ERAD PRG & VOL DIS STATUS PROG 4. NO.OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT	4	4	4	4	4	4	4	4
	75	75	75	75	75	75	75	75
	8	8	8	8	8	8	8	8
	6	6	6	6	6	6	6	6
PROGRAM TARGET GROUPS  1. LIVESTOCK PRODUCERS 2. POULTRY PRODUCERS 3. HUMAN POPULATION	1290	1250	1250	1250	1250	1250	1250	1250
	80	80	80	80	80	80	80	80
	1283000	1283000	1290000	1300000	1310000	1320000	1330000	1340000
PROGRAM ACTIVITIES  1. NO. LVSTK & EXOTIC ANMLS INSP/TEST ON ENTRY 2. NO. DAY-OLD CHICKS AND HATCHED EGGS INSP ON ENTRY 3. NUMBER OF DOGS AND CATS INSPECTED ON ENTRY 4. NO. POLTRY, OTH BRDS, NON-DMSTC ANMLS INSP ON ENTRY 5. NO. SMPLS COLLECTD & ANMLS FIELD TSTD: ENTRY, SURV 6. NUMBER OF DISEASE/EPI INVESTIGATIONS CONDUCTED 7. NO. SMPLS COLL/PRCSD FOR FED-ST DISEAS SURV PROGS 8. NO. LAB TESTS FOR LVSTK/POLTRY DIEASE SURVEILLANCE 9. NO. LAB TESTS FOR LVSTK/POLTRY IMPORT/EXPORT 10. NO. TESTS FOR IMPORTED ANMLS INCL DOGS AND CATS	19439	18000	17000	17000	17000	17000	17000	17000
	673313	500000	500000	500000	500000	500000	500000	500000
	11710	10000	10000	10000	10000	10000	10000	10000
	16196	15000	15000	15000	15000	15000	15000	15000
	13085	12500	12500	12500	12500	12500	12500	12500
	7	10	10	10	10	10	10	10
	20963	20000	20000	20000	20000	20000	20000	20000
	7501	7000	7000	7500	7500	7500	7500	7500
	1542	1200	1200	1400	1500	1500	1500	2000
	5958	5500	5500	6000	6000	6000	6200	6500
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) CHARGES FOR CURRENT SERVICES TOTAL PROGRAM REVENUES	<u>421</u>	478	506	543	569	603	613	613
	421	478	506	543	569	603	613	613
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) GENERAL FUNDS ALL OTHER FUNDS TOTAL PROGRAM REVENUES	<u>421</u> 421	478 478	506 506	6 537 543	569 569	603 603	613 613	613 613

AGR 132 Animal Disease Control

#### A. Statement of Program Objective

To assist in the State's livestock and poultry industries in the production of disease-free livestock, poultry and wholesome products and protect the public health through the prevention, detection, and control of livestock and poultry diseases.

#### B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The FB 09-11 budget reflects an adjustment to the current services funding level based on the FY 09 allocation. Budget requests include transferring positions and general funds to the Animal Quarantine (AGR 131) special fund.

#### C. Description of Activities Performed

- Maintain animal and poultry health, conduct surveillance and field investigations of diseases reported.
- Provide veterinary laboratory support for diagnosing diseases and deaths of animals, birds, and aquatic species.
- 3. Conduct cooperative State-Federal-Industry livestock disease control/eradication programs, such as Bovine Tuberculosis, Brucellosis and Pseudorabies.
- Prevent entry of serious diseases and pests affecting livestock and poultry into the State through such procedures as inspection, testing, quarantine, and enforcement of regulations.
- 5. Register cattle brands and maintain the Hawaii Brand Book that is updated and published every 5 years.
- Assist industry in the development and implementation of voluntary disease control programs and advises industry on matters pertaining to animal health.
- Provide laboratory support for screening and diagnosing diseases of livestock and poultry.

8. Coordinate/execute Federal-State cooperative agreements, including NAIS registration and animal disease eradication/surveillance programs.

#### D. Statement of Key Policies Pursued

- 1. Implement prevention measures and prepare for outbreaks of epizootic diseases of livestock and poultry.
- Control and eradicate enzootic diseases of livestock and poultry which have significant economic impact, including those with significant public health implications.
- Prevent introduction of serious livestock and poultry diseases that may gain entry through imported animals and birds.
- Serve as source of information for industry and public on matters relating to animal health.
- In line with the objectives of the Hawaii State Agriculture Plan, assist in
  efforts to improve production efficiency of the livestock and poultry
  industries.
- Provide accurate diagnostic and surveillance tests for livestock, poultry, and aquatic industries to promote Hawaii's economic and public health.
- Coordinate and execute federal cooperative programs for emerging/reemerging animal disease surveillance and animal premises registration.

#### E. Identification of Important Program Relationships

Disease control and eradication programs are conducted cooperatively with USDA-Veterinary Services, industry and liaison is maintained with animal health divisions in all other states. Also, there is a close working relationship with such agencies and groups as the Department of Health, Department of Land and Natural Resources, University of Hawaii, Honolulu Zoo, Sea Life Park, private veterinary practitioners and livestock and poultry industries. Under a formal agreement with the Department of Transportation, an animal holding facility is maintained at the

Honolulu International Airport for the purpose of inspecting and giving proper care to animals arriving by air transportation.

#### F. Description of Major External Trends Affecting the Program

- Outbreaks of foreign animal diseases and the threat of bioterrorism have necessitated increased training, preparation and have resulted in import, inspection and surveillance activities being placed at a heightened state of alert.
- Increased concerns related to animal origin microbes and diseases and their
  association with human illness outbreaks have resulted in the development
  of program activities designed to mitigate the potential risk of such
  outbreaks
- Animal welfare concerns, environmental pollution with pesticides, international trade agreements, international economics, food/health/safety issues, and state of the art technological development in diagnostic veterinary medicine continue to be other major activities affecting animal industry programs.

#### G. Discussion of Cost, Effectiveness, and Program Size Data

The program proposes to maintain current program activities by seeking and utilizing federal grants to supplement any shortfalls in State funding.

#### H. Discussion of Program Revenue

Revenues from the cattle brand registrations are used to maintain registry book. Revenues from the Department of Transportation are used to safeguard, care for and inspect animals arriving at Honolulu International Airport.

#### I. Summary of Analysis Performed

An ongoing survey of wildlife species on the island of Molokai has determined the focal presence of bovine tuberculosis in feral swine on the east end of the island. Surveys for pseudorabies and swine brucellosis in feral swine show fairly widespread distribution on the islands of Oahu, Maui and Hawaii. These diseases have spilled over and serve as a constant threat to domestic livestock populations.

#### J. Further Considerations

Bovine tuberculosis testing of cattle on the eastern end of Molokai from areas where feral swine were found to be infected continues to find no evidence of infection in cattle herds. However, the continued finding in feral swine necessitated movement restrictions being placed on cattle and feral swine from the eastern end of Molokai to prevent the spread of bovine tuberculosis. A plan to focally eradicate bovine tuberculosis in feral swine on the island of Molokai is currently not fiscally feasible. Annual surveillance of domestic swine and cattle operations statewide continue to find spillover infections from feral swine infected with swine brucellosis. Infections in cattle are typically self limiting, however, requires extensive investigations including costly herd tests to rule out a more significant infection of bovine brucellosis. Transmission of swine brucellosis from feral swine to domestic swine herds poses a significant economic and public health threat to swine production and producers in Hawaii.

#### OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR151

PROGRAM STRUCTURE NO. 01030302

PROGRAM TITLE:

QUALITY AND PRICE ASSURANCE

		IN DOLLAI	?S2 <i>}</i>			IN THOUS	ANDS	
PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES EQUIPMENT MOTOR VEHICLE	26.00* 1,380,440 223,050 26,519 64,214		22.00* 1,668,529 638,516	22.00* 1,668,529 638,516	22.0* 1,669 639	22.0* 1,669 639	22.0* 1,669 639	22.0 1,669 639
TOTAL OPERATING COST	1,694,223	2,428,469	2,307,045	2,307,045	2,308	2,308	2,308	2,308
BY MEANS OF FINANCING								
	24.00*	24.00*	20.00*	20.00*	20.0*	20.0*	20.0*	20.0
GENERAL FUND	1,332,243 2.00*	1,284,288 2.00*	1,137,864 2.00*	1,137,864   2.00*	1,138 2.0*	1,138 2.0*	1,138 2.0*	1,138 2.0
SPECIAL FUND	36,005	290,119	290,119	290,119	290	290	290	290
	*	*	*	*	*	*	*	:
OTHER FED. FUNDS	15,477	52,424	77,424	77,424	78	78	78	78
TRUST FUNDS	27,101	300,000	300,000	300,000	300	300	300	300
	*	*	*	*	*	*	*	
REVOLVING FUND	283,397	501,638	501,638	501,638	502	502	502	502
TOTAL POSITIONS	26.00*	26.00*	22.00*	22.00*	22.00*	22.00*	22.00*	22.00
TOTAL PROGRAM COST	1,694,223	2,428,469	2,307,045	2,307,045	2,308	2,308	2,308	2,308

#### PERFORMANCE MEASURES AND PROGRAM REVENUES

STATE OF HAWAII

PROGRAM ID:
PROGRAM STRUCTURE:
PROGRAM TITLE:

AGR151
01030302
QUALITY AND PRICE ASSURANCE

	FY	FY	FY	FY	FY	FY	FY	FY
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
MEASURES OF EFFECTIVENESS  1. % OF ENFORCEMENT INSP THAT COMPLY W/ LAWS AND RULE 2. % CERTIFICATION REQUESTS FULFILLED 3. AVERAGE TURN AROUND TIME IN DAYS FOR COFFEE CERT 4. PERCENTAGE OF FEED AND PESTICIDE SAMPLES ANALYZED 5. % OF MIN CLASS ONE MILK PRICE RECEIVED BY PRODUCER 6. PERCENTAGE OF MILK QUOTA PRODUCED	98.5 100 2 100 100 11.7	98.5 100 2 100 100 12	99 100 2 100 100 12	99 100 2 100 100 12	99 100 2 100 100 12	99 100 2 100 100 12	99 100 2 100 100 12	99 100 2 100 100
PROGRAM TARGET GROUPS  1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS 2. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS 3. PRODUCERS, PROD-DISTRIB & DISTRIBUTORS OF MILK 4. PRODUCERS AND DISTRIBUTORS OF ANIMAL FEED PRODUCTS 5. GOVERNMENT, UNIVERSITIES, AND AG INPUT SUPPLIERS	5500	5500	5500	5500	5500	5500	5500	5500
	537	540	540	540	540	540	540	540
	957	1000	1000	1000	1000	1000	1000	1000
	17	15	15	15	15	15	15	15
	5	5	5	5	5	5	5	5
PROGRAM ACTIVITIES  1. # OF CERT ISSUED FOR GRADE AND COND OF AG COMM 2. # OF LOTS OF AG COMM INSP FOR COMP W/ LAWS & RULES 3. NUMBER OF DEALERS IN AG PRODUCTS LICENSED 4. # PRODUCERS, PROD-DIST, AND DIST OF MILK LICENSED 5. NUMBER OF MONTHLY MILK PAYROLLS CALCULATED 6. # OF TIMES MIN PRICE TO MILK PRODUCERS IS ADJUSTED 7. NUMBER OF LOTS OF FEED AND PEST SAMPLES ANALYZED 8. # OF HRS EDUC SESSIONS TO IMP COMP W/ LAWS & RULE	477	480	480	480	480	480	480	480
	78310	75000	75000	75000	75000	75000	75000	75000
	957	1000	1000	1000	1000	1000	1000	1000
	17	15	15	15	15	15	15	15
	27	24	24	24	24	24	24	24
	13	12	12	12	12	12	12	12
	848	850	850	850	850	850	850	850
	35	40	40	40	40	40	40	40
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) LICENSES, PERMITS, AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL CHARGES FOR CURRENT SERVICES TOTAL PROGRAM REVENUES	142 34 13 640 829	138 34 15 666 853	138 35 15 680	138 35 15 704 892	138 35 15 706	138 35 15 706 894	138 35 15 706 894	138 35 15 706 894
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) GENERAL FUNDS SPECIAL FUNDS ALL OTHER FUNDS TOTAL PROGRAM REVENUES	277	282	284	295	297	297	297	297
	244	244	244	244	244	244	244	244
	308	327	340	353	353	353	353	353
	829	853	868	892	894	894	894	894

#### A. Statement of Program Objectives

To assist in the development of the agricultural industries through quality assurance of agricultural commodities; licensing dealers of agricultural products; and producer price and quota control to maintain stability within the dairy industry.

#### B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The FB 09-11 budget request includes a reduction of 3.0 FTE and funds in order to comply with mandatory general fund reductions.

#### C. Description of Activities Performed

- Provide grade, condition and origin certification of agricultural commodities for a fee.
- 2. Provide seafood inspection service for a fee.
- 3. Provide food safety audits for a fee.
- 4. Provide meat grading service for a fee, when requested.
- 5. Conduct registration, sampling and analysis of animal feeds.
- 6. Provide enforcement of Federal Egg Products Inspection Act.
- 7. Conduct of Federal Country of Origin Labeling audits.
- 8. License dealers of agricultural products and settle delinquent payment cases.
- 9. Assist police on investigation of agricultural theft cases.
- 10. Conduct visits at retail establishments for requirements of certificate of ownership of agricultural products.
- 11. Enforce labeling, advertising, container and minimum export quality requirements for agricultural commodities.
- 12. Develop and improve grade standards for fresh and processed agricultural products.
- 13. Inspect, investigate milk production, distribution and payments; and perform market wide pool utilization calculations to determine fair payment to farmers.

14. Issue milk licenses to producers, processors, and distributors; and monitor and adjust milk quotas.

#### D. Statement of Key Policies Pursued

- Service all requests for product certification in a timely, professional and unbiased manner.
- 2. Respond to health related problems that involve eggs, feed, and food safety in a timely manner.
- 3. Conduct enforcement on educational basis, if possible.
- 4. Improve quality, marketing and consumer satisfaction for local products.
- 5. Support worthy efforts to develop new exports or maintain markets for Hawaii agricultural and food products.
- 6. Improve enforcement and client educational activities by using the latest sampling methods, automated data processing equipment, communication technology, and information presentation practices.

#### E. <u>Identification of Important Program Relationships</u>

Federal – USDA and USDC: There are cooperative agreements with the USDA for fresh and processed fruits and vegetables, shell eggs, meat grading, Egg Products Inspection Act enforcement, and country of origin labeling audits. There is a cooperative agreement with the U.S. Dept. of Commerce/National Marine Fisheries Service to conduct seafood inspection and certification.

STATE and OTHER – UH/CTAHR, DBEDT, DOH, DLNR, and DAGS; and HARC.

INDUSTRY – Hawaii Farm Bureau Federation, trade association of the banana, tropical fruit, coffee, cattlemen, milk, eggs, feed, seed, organic produce, retail wholesale, food manufacturing, and other industries; various agricultural cooperatives and other agribusinesses.

#### F. Description of Major External Trends Affecting the Program

Increased production of new commodities on lands vacated by sugar and pineapple and from agricultural parks, such as coffee, seed, and exotic tropical fruits. State emphasis on orderly expansion of diversified agriculture and food manufacturing. Decrease in the number dairies and other livestock farms, and the federal enforcement on the use of pesticides and the ban of pesticides such as DDT and heptachlor affecting the further reduction of feed contamination. Changes in quarantine treatments, exports, and changes in the mode and frequency of transportation of agricultural crops. Increasing costs of feed, energy, handling of waste, transportation, other inputs, and land, impact of profitability of milk, beef cattle, eggs and pork production. Federal expansion or curtailment of agricultural quality assurance, food safety and organic programs. Growth in the coffee industry on the Big island (Kau, Kona, Hamakua, Puna and Maui (Kaanapali and Kula), and Oahu. Increase attention of food safety, biosecurity, and production, certification, labeling of organic and transgenic agricultural products.

#### G. Discussion of Cost, Effectiveness, and Program Size Data

Utilization of temporary staff for certification inspection services for seed, coffee, product identity/traceability and food safety. Regulatory functions are at low priority, with emphasis on complaints and preventing violations through education, to more effectively utilize branch's reduced staff.

#### H. <u>Discussion of Program Revenue</u>

Fees assessed for certification inspections, licenses, registration and penalties are expected to return approximately \$600,000 annually to the general fund. Inspection fees will cover all costs under certification of eggs, meat grading, seafood inspection, country of origin and food safety audits, special funds and certification revolving fund. License fees will cover all costs for the milk control special fund.

#### I. Summary of Analysis Performed

None.

#### J. Further Considerations

The programs impact on the following Hawaii State Plan objectives; Sections 6 (b) 4, 7 & 8 and 7 (b) 3, 4, 8, 9,k 10 which pertain to marketing and market development, encouraging the development of industries and distribution systems, and the promotion of products. Section 34 (b) 1, which protects individuals from unfair practices. Policy J (2) of the State Agriculture Plan calls for a system for comprehensive assessment of Hawaii agriculture.

PROGRAM ID:

AGR171

PROGRAM STRUCTURE NO. 01030303

PROGRAM TITLE:

AGRICULTURAL DEVELOPMENT & MARKETING

	<del></del>		IN DOLLAI	?s			IN THOUS	ANDS	
PROGRAM EXPENDITURES		FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES EQUIPMENT		18.00* 955,028 1,189,531 33,430	18.00* 909,267 1,174,786	17.00* 969,574 569,791	17.00* 969,574 569,791	17.0* 970 570	17.0* 970 570	17.0* 970 570	17.0* 970 570
TOTAL OPERATING COST		2,177,989	2,084,053	1,539,365	1,539,365	1,540	1,540	1,540	1,540
BY MEANS OF FINANCING					ļ.				
DI MEANS OF FINANCING		18.00*	18.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
GENERAL FUND SPECIAL FUND		2,176,782	1,879,553 20,000	1,334,865 20,000	1,334,865	1,335 20	1,335 20	1,335 20	1,335 20
OTHER FED. FUNDS		1,207	184,500	184,500	184,500	185	185	185	185
TOTAL POSITIONS		18.00*	18.00*	17.00*	17.00*	17.00*	17.00*	17.00*	17.00*
TOTAL PROGRAM COST	===	2,177,989 	2,084,053 	1,539,365 	1,539,365	1,540 ======	1,540	1,540 ======	1,540

#### PERFORMANCE MEASURES AND PROGRAM REVENUES

STATE OF HAWAII

PROGRAM ID:
PROGRAM STRUCTURE:
PROGRAM TITLE:
AGR171
01030303
PROGRAM TITLE:
AGRICULTURAL DEVELOPMENT & MARKETING

	FY	FY	FY	FY	FY	FY	FY	FY
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
MEASURES OF EFFECTIVENESS  1. PERCENTAGE OF REQUESTS FOR INFORMATION FULFILLED. 2. % SCHED REL TIME MET FOR PRE-SPECIFIED PUBLICATION 3. RETURN ON INVEST RATE ON TRADE SHOWS (RATIO) 4. NUMBER OF TRADE LEADS GENERATED	99	99	99	99	99	99	99	99
	99	99	99	99	99	99	99	99
	15	15	15	15	15	15	15	15
	400	400	400	400	400	400	400	400
PROGRAM TARGET GROUPS  1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS 2. GOVERNMENT, UNIV AND AGRICULTURAL INPUT SUPPLIERS 3. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS	5400	5400	5400	5400	5400	5400	5400	5400
	200	200	200	200	200	200	200	200
	700	700	700	700	700	700	700	700
PROGRAM ACTIVITIES  1. COLLECT, COMPILE & PUBLISH CROP AND LVSTK REPORTS 2. TEL AND MAIL SURV INTERVIEWS AND PUB OF STAT RPTS 3. DISSEMINATE CROP AND LIVESTOCK INFORMATION 4. COLLECT, COMPILE, PUBLISH AND DISSEMINATE MKT INFO 5. CONDUCT ECON AND MKT STUDIES AND PROG EVALUATION 6. PROPOSAL ASSES & OUTREACH AG COMM AND RES & DEV	50000 15000 1500 400 5	50000 15000 1500 400 5 12	50000 15000 1500 400 5 12	50000 15000 1500 400 5 12	50000 15000 1500 400 5 12	50000 15000 1500 400 5	50000 15000 1500 400 5 12	50000 15000 1500 400 5 12
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) REVENUE FROM OTHER AGENCIES: FEDERAL TOTAL PROGRAM REVENUES		75 75	75 75	75 75	75 75	75 75	75 75	75 75
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) SPECIAL FUNDS TOTAL PROGRAM REVENUES	75	75	75	75	75	75	75	75
	75	75	75	75	75	75	75	75

#### A. Statement of Program Objectives

To promote the economic viability of commercial agriculture by sponsoring joint marketing programs for agricultural products with high revenue growth potentials; facilitating the development and expansion of marketing opportunities for targeted agricultural and processed products; and providing timely accurate and useful statistics.

#### B. <u>Description of Request and Compliance with Section 37-68 (1) (A)(B)</u>

The FB 09-11 budget reflects an adjustment to the current services funding level based on the FY 09 allocation. Budget requests include deleting one general funded position and funds and reducing other current expenses to comply with mandatory reductions.

#### C. <u>Description of Activities Performed</u>

- 1. Encourage more exports and help existing agricultural and food manufacturing industries to maintain their viability.
- 2. Assist associations of producers and distributors of local agricultural and food products to introduce their products to consumers.
- Conduct business feasibility analysis and research, develop market information and growth potentials for specific agricultural and food manufacturing industries, and evaluate effectiveness of market development programs.
- 4. Collect and estimate agricultural acreage, value, price, production, inventory, labor, supply, and shipment data by personal contact, phone, or mailed questionnaire.
- 5. Collect and analyze market prices and supply of agricultural products and disseminate such information via fax broadcasting, internet, or Code-A-Phone.

- Meet with individuals and industry groups to discuss, implement, coordinate, and improve State programs; resolve industry problems; encourage collective action; and improve production and marketing.
- 7. Administer contracted programs such as the livestock feed reimbursement program and other federal grant programs.

#### D. Statement of Key Policies

- 1. Promote joint marketing programs for agricultural products with high revenue growth potential.
- 2. Facilitate development of marketing opportunities for select agricultural and processed products as a tie-in with the tourism industry.
- 3. Maintain marketing campaigns that educate the public about local agricultural producers and products, and to promote high-quality producers
- 4. Provide timely, accurate and useful statistics of Hawaii's agriculture to support production, marketing, policy, planning and research functions.

#### E. <u>Identification of Important Program Relationships</u>

FEDERAL - USDA: There is a continuing cooperative agreement with the National Agricultural Statistics Service (NASS), which covers the Hawaii Agricultural Statistics (HAS). There are also cooperative agreements with the Agricultural Marketing Service for market news reporting and for market studies. There are also partnership projects with Foreign Agricultural Service (FAS) and Agricultural Research Service (ARS-PBARC).

STATE – UH/CTAHR, DBEDT, DOH, DAGS, OHA and various county development agencies.

INDUSTRY - Hawaii Farm Bureau Federation (HFBF); trade associations of the banana, papaya, anthurium, pineapple, coffee, milk, macadamia, eggs, feed, retail,

wholesale, food manufacturing, other agribusinesses and the Hawaii Agricultural Research Center (HARC).

#### F. <u>Description of Major External Trends Affecting the Program</u>

The higher costs of production, particularly with the surge in fuel and factor inputs costs of fertilizers, pesticides and seedling, as well as, higher shipping costs have been most challenging to our local farmers in 2008. While production of diversified agriculture, particularly new commodities on lands vacated by sugar and pineapple and from agricultural parks continues, growing foreign and mainland competition affecting Hawaii agricultural and food products are still a threat, especially from free trade agreements. The State continues to place emphasis on orderly expansion of diversified agriculture and food manufacturing. Growing urban encroachment and tax hikes on agricultural lands are other threats. On the other hand, the establishment of more farmers' markets locally, anticipated future increases on exports and changes in the mode and frequency of transportation for agricultural crops such as the super-ferry hold well for agriculture.

#### G. <u>Discussion of Cost</u>, Effectiveness and Program Size Data

The program has been aggressive in pursing external grants to supplement funding for its existing activities. Additionally, more efforts have been placed to increase labor productivity and return on investments by utilizing technology and by measuring performance of its program activities.

#### H. <u>Discussion of Program Revenues</u>

Federal matching funds are available for product promotion and research projects. Under a joint State-Federal cooperative agreement federal personnel and funds support the HASS program. Recipient of Specialty Crop Block Grant Program

(SCBGP) grant and Organic Certification Reimbursement Program (OCRP) from USDA-AMS under the 2008 Farm Bill.

#### I. Summary of Analysis Performed

HASS and MANB, to ensure reliable information, do statistical analysis when appropriate.

#### J. Further Consideration

The programs impact on the following Hawaii State Plan objectives: Section 6(b) 4, 7 & 8 and 7(b) 3, 4, 8, 9 & 10, which pertain to marketing and market development, encouraging the development of industries and distribution systems and the promotion of products. Policy J (2) of the State Agriculture Plan calls for a system for comprehensive assessment of Hawaii agriculture.

#### OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR141

PROGRAM STRUCTURE NO. 01030401

PROGRAM TITLE:

AGRICULTURAL RESOURCE MANAGEMENT

PROGRAM EXPENDITURES	FY2007-08	IN DOLLAF FY2008-09				IN THOUS		
	112001 00	F12008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST	21.00*	23.00*	23.00*	23.00*	23.0*	23.0*	23.0*	23.0
PERSONAL SERVICES	1,120,854	1,377,172	1,544,224	1,544,224	1,544	1,544	1,544	1,544
OTHER CURRENT EXPENSES	1,205,049	1,464,399	1,400,534	1,400,534	1,401	1,401	1,401	1,401
EQUIPMENT	9,619	3,000		, , , , , , , , , , , , , , , , , , , ,		_,	_,	_,
MOTOR VEHICLE	25,788	,				$\frac{1}{2} \left( \frac{1}{2} + \frac{1}{2} \right) = \frac{1}{2} \left( \frac{1}{2} + \frac{1}{2} \right)$		
TOTAL OPERATING COST	2,361,310	2,844,571	2,944,758	2,944,758	2,945	2,945	2,945	2,945
				S. 7.		NAME AND ADDRESS OF THE PARTY ADDRESS O		
BY MEANS OF FINANCING				!				
	2.00*	2.00*	1.00*	1.00*	1.0*	1.0*	1.0*	1.0
GENERAL FUND	577,763	573,157	445,055	445,055	445	445	445	445
	6.00*	8.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0
SPECIAL FUND	616,731	853,942	1,011,320	1,011,320	1,012	1,012	1,012	1,012
	13.00*	13.00*	13.00*	13.00*	13.0*	13.0*	13.0*	13.0%
REVOLVING FUND	1,166,816	1,417,472	1,488,383	1,488,383	1,488	1,488	1,488	1,488
CAPITAL IMPROVEMENT COSTS								
PLANS	920,000	50,000	575,000		400	400		
LAND ACQUISITION	100,000	100,000						
DESIGN	1,885,000	200,000	665,000					
CONSTRUCTION	16,995,000	2,650,000	3,610,000	9,095,000	-			
TOTAL CAPITAL EXPENDITURES	19,900,000	3,000,000	4,850,000	9,095,000	400	400		
BY MEANS OF FINANCING								
G.O. BONDS	18,400,000	1,500,000	4,500,000	4,500,000	200	200		
OTHER FED. FUNDS	1,500,000	1,500,000	350,000	4,595,000	200	200		
TOTAL POSITIONS	21.00*	23.00*	23.00*	23.00*	23.00*	23.00*	23.00*	23.00*
TOTAL PROGRAM COST	22,261,310	5.844.571	7.794.758	12.039.758	3,345	3,345	2,945	2,945

#### PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:
PROGRAM STRUCTURE:
PROGRAM TITLE:

AGR141
O1030401
AGRICULTURAL RESOURCE MANAGEMENT

	FY							
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
MEASURES OF EFFECTIVENESS  1. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES) 2. IRRIGATION WATER SERVED AS % DEMAND IN DEPT SYS 3. LANDS LEASED IN AG PARK & NON-AG PARK LNDS (ACRES) 4. % OF AG PARK & NON-AG PARK LANDS IN PRODUCTIVE USE	12570	12570	12570	12570	12570	13000	13000	13000
	94	95	95	95	95	95	95	95
	8029	8200	8400	8600	8800	9000	9000	9000
	86	88	88	88	88	88	88	88
PROGRAM TARGET GROUPS  1. FARMS SERVED BY DEPT OF AG IRRIG SYSTEMS  2. FARMS LEASED ON DEPT OF AG LANDS  3. FARMS PROCESSING PRODUCE AT STATE FACILITY	591	595	595	595	595	650	650	650
	310	400	420	440	450	450	450	450
	12	12	12	12	12	12	12	12
PROGRAM ACTIVITIES  1. NO. AG WATER DEV STUDIES/INVESTIGATION & IMP PROJ  2. AG LAND AWARDS ADMINISTERED (# OF TRANSACTIONS)  3. NUMBER OF NEW WATER SERVICES INSTALLED  4. PIPELINE AND DITCHES MAINTAINED (MILES)  5. PROCESSING FACILITIES MANAGED  6. AGRICULTURAL LAND LESSEES COUNSELED  7. NO. OF AG LAND FIELD INSPECTIONS CONDUCTED	33	30	30	30	30	30	30	30
	323	415	435	455	470	470	470	470
	14	10	10	10	10	10	10	10
	94	94	94	94	94	110	110	110
	2	2	2	2	2	2	2	2
	60	60	80	100	100	100	100	100
	143	150	170	190	200	200	200	200
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) REVENUES FROM THE USE OF MONEY AND PROPERTY CHARGES FOR CURRENT SERVICES NON-REVENUE RECEIPTS TOTAL PROGRAM REVENUES	270	200	199	199	199	199	199	199
	624	640	640	640	640	640	640	640
	1,109	1,183	1,183	1,183	1,183	1,183	1,183	1,183
	2,003	2,023	2,022	2,022	2,022	2,022	2,022	2,022
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) SPECIAL FUNDS ALL OTHER FUNDS TOTAL PROGRAM REVENUES	794	825	824	824	824	824	824	824
	1,209	1,198	1,198	1,198	1,198	1,198	1,198	1,198
	2,003	2,023	2,022	2,022	2,022	2,022	2,022	2,022

## A. Statement of Program Objectives

To assist in developing and managing the State's agricultural resources by ensuring adequate and reliable supplies of irrigation water, farmland, infrastructure, produce processing, livestock slaughter, and agricultural research and processing facilities.

## B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The FB 09-11 operating budget request includes a reduction in the general fund supplement to the irrigation system revolving fund and the transfer of 1.0 FTE from general to special funds.

The FB 09-11 CIP budget request includes \$4.5 million in GO bonds in each year of the biennium for projects including the Molokai and Waimea Hydropower Plant, Molokai Irrigation System Improvements, Waimea Transfer Ditch Improvements and Puu Pulehu and Puu Kapu Reservoir Embankment Improvements.

## C. Description of Activities Performed

This program is composed of: (1) Division Administration; (2) Irrigation Water Development and Maintenance; (3) Agricultural Land Development and Administration; and (4) State-owned Produce Processing Facilities Management.

Under Division Administration, activities include preparing budget submissions, legislative testimonies, and other administrative and fiscal reports; attending meetings and public hearings representing the Division; planning, approving and implementing program policies; and providing overall guidance to Branches.

Irrigation Water Development and Maintenance, activities include planning and programming of capital improvements projects which include budgeting, scheduling, control and management of project activities; preparing applications for

permits and clearances for agricultural water development projects; operating and maintaining five existing irrigation systems by controlling the flow of water to maximize the supply and minimize excess, and to assure an adequate supply and equitable distribution of water; enforcing the provision of the administrative rules by metering, billing, and collecting water charges; maintaining the system by repairing, replacing and keeping in good working condition all mechanical and electrical devices; and keeping intakes, ditches, tunnels and reservoirs free flowing.

Agricultural Land Development and Administration, activities include the planning and developing of new Ag Parks and Non-Ag Park lands; administering and enforcing the terms of leases; operating and maintaining all infrastructure; conducting the disposition of available or new agricultural lands as prescribed by stature; and billing and collecting lease rents.

Under Produce Processing Facilities Management, activities include administering the terms of the rental agreement; planning and approving all improvements to existing facilities; representing and protecting the State's interests in dealing with farmers' cooperatives and managing the existing facilities.

#### D. Statement of Key Policies Pursued

Among the key policies pursued is agricultural water development to provide program support to achieve the State's economic, agricultural and social goals. In addition, the agricultural land programs support diversified agriculture productivity, which in turn strengthens the State's economic base. Both the legislative and executive policies emphasize the expansion and diversification of the agricultural industry. A key policy for agriculture as identified in the Agricultural Functional plan is the availability of land and adequate water to support a productive agricultural industry. This program makes available State lands at reasonable prices and provides adequate irrigation water at selected agricultural sites to ensure the continued farming use of the land.

## E. <u>Identification of Important Program Relationships</u>

State agricultural land is E.O.'d from the Department of Land and Natural Resources Land Division (DLNR). The Agricultural Resource Management program also provides support to the Hawaiian Homes Commission's homestead programs at Waimea, Hawaii and Hoolehua, Molokai by providing irrigation water. Additional work is done in conjunction with the Commission on Water Resource Management, Department of General Services, DLNR Engineering Division, State Civil Defense, County Water Supplies, and Federal agencies (USDA-NRCS, DOI-BOR, USACE, and FEMA).

## F. Description of Major External Trends Affecting the Program

Environmental concerns are affecting the ability of the program to meet its development responsibilities because rules, regulations, and statute changes limit availability of land and water.

Energy, transportation, and fertilizer costs, as well as workers benefits, etc. are severely straining the local farmers finances and viability.

The cost of maintaining the irrigation systems properly while remaining fiscally responsible has arrived at a critical juncture.

# G. Discussion of Cost, Effectiveness, and Program Size Data

The agricultural land programs are currently self-sustaining. The irrigation system continues to be supplemented by the general fund.

## H. Discussion of Program Revenue

Revenues for the irrigation system's program are generated through fees assessed on users of the irrigation water. Revenues for the agricultural land programs are generated through the rental of lands to qualified farmers.

### I. Summary of Analysis Performed

None

#### J. Further Considerations

None

# OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR161

PROGRAM STRUCTURE NO. 01030402

PROGRAM TITLE:

AGRIBUSINESS DEVELOPMENT

		TN DOLLAI	?S	!		IN THOU	SANDS	
PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES EQUIPMENT MOTOR VEHICLE	627,121 2,483,364 13,915 28,373	** 612,224 2,869,095 20,000	663,098 2,779,138	663,098 2,779,138	* 663 2,779	* 663 2,779	* 663 2,779	663 2,779
TOTAL OPERATING COST	3,152,773	3,501,319	3,442,236	3,442,236	3,442	3,442	3,442	3,442
BY MEANS OF FINANCING GENERAL FUND	140,558	140,558	50,601	50,601	51	51	51	51
REVOLVING FUND	* 3,012,215	3,360,761	3,391,635	3,391,635	3,391	3,391	3,391	3,391
CAPITAL IMPROVEMENT COSTS LAND ACQUISITION CONSTRUCTION		13,000,000 163,000						
TOTAL CAPITAL EXPENDITURES		13,163,000						
				1				
BY MEANS OF FINANCING G.O. BONDS OTHER FED. FUNDS		13,057,000 106,000						
TOTAL POSITIONS TOTAL PROGRAM COST	* 3,152,773	* 16,664,319	* 3,442,236	3,442,236	* 3,442	3,442	* 3,442	3,442

## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID: AGR161
PROGRAM STRUCTURE: DROGRAM TITLE: AGRIBUSINESS DEVELOPMENT

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
MEASURES OF EFFECTIVENESS	2001 00	2000 00	2000 10		2011 12	2012 10	2010 11	2011.10
<ol> <li>AGRICULTURAL LANDS DIRECTLY MANAGED BY ADC (ACRES)</li> <li>AG LANDS SRVED BY ADC IRRIG SYS &amp; INFRSTRC (ACRES)</li> <li>IRRIG SYS AND INFRASTRUCTURE PROJ MANAGED BY ADC</li> <li>AGRICULTURE RELATED FACILITIES MANAGED BY ADC</li> <li>ADC PROJECTS THAT BENEFIT DIVERSIFIED AGRICULTURE</li> </ol>	12500 17646 3 1 10	12500 17646 3 1	16500 21646 4 1 10	16500 41646 4 1 10	16500 41646 4 1 10	18600 43746 5 1 12	18600 43746 5 1 12	18600 43746 5 1 12
PROGRAM TARGET GROUPS								
<ol> <li>FORMER SUGAR &amp; PINEAPLE LAND AVAIL FOR CONT AG USE</li> <li>ABANDONED OR TO BE ABANDONED IRRIG SYS &amp; INFRASTRU</li> <li>ABANDONED, TO BE ABANDONED AG FACILITIES</li> <li>FARMERS/AGRIBUSINESS IN ADC PROJECT AREAS</li> <li>AG RELATED COOP THAT OPERATE IN ADC PROJECT AREAS</li> </ol>	21646 8 1 148 5	21646 8 1 148 5	25646 9 1 165 5	45646 9 1 165 5	45646 9 1 165 5	47646 10 1 165 5	47646 10 1 165 5	47646 10 1 165 5
PROGRAM ACTIVITIES								
1. AG LANDS THAT ADC HAS A DIRECT INTEREST IN (ACRES) 2. #OF ONGOING IRRIG SYS AND INFRASTRUCTURE PROJECTS 3. #OF TECH ASSIST/CONSULT/PROJ/STUDIES INITI BY ADC 4. #OF GRANTS AND CONTRACTS AWRDED OR MANAGED BY ADC 5. #OF ONGOING CAPITAL IMP PROJ FOR ADC ASSETS 6. #PRDCRS BENEFIT FR ADC LAND, IRRIG, INFRSTR & FAC	12500 3 5 2 1 113	12500 3 6 2 1 113	16500 5 6 3 1 115	16500 6 6 3 1 145	16500 6 6 3 1 145	18600 6 6 3 2 160	18600 6 6 3 2 165	18600 6 6 3 2 165
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) REVENUES FROM THE USE OF MONEY AND PROPERTY CHARGES FOR CURRENT SERVICES NON-REVENUE RECEIPTS TOTAL PROGRAM REVENUES	118 2,408 303 2,829	88 2,200 334 2,622	90 2,229 359 2,678	90 2,258 359 2,707	90 2,291 359 2,740	90 2,323 359 2,772	90 2,323 359 2,772	90 2,323 359 2,772
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
ALL OTHER FUNDS	2,829	2,622	2,678	2,707	2,740	2,772	2,772	2,772
TOTAL PROGRAM REVENUES	2,829	2,622	2,678	2,707	2,740	2,772	2,772	2,772

## A. Statement of Program Objectives

To facilitate and coordinate the development and expansion of Hawaii's agricultural industry by directly participating in the shift from plantation-based production and infrastructure to a market-driven, diversified agriculture industry.

## B. <u>Description of Request and Compliance with Section 37-68(1)(A)(B)</u>

The budget request for FB 09-11 includes a reduction in the general fund supplement to the Hawaii Agribusiness Development revolving fund.

## C. <u>Description of Activities Performed</u>

ADC's major activities are to: (1) transition former plantation land and water systems for diversified agriculture; (2) initiate development of facilities and provide support as necessary for successful diversified agriculture; and (3) provide solutions to certain bottleneck issues facing the agriculture industry.

## D. Statement of Key Policies Pursued

Make optimal use of the State's agricultural assets by facilitating the transition from plantation operations into expanded agricultural enterprises and by providing leadership for the development, financing, improvement and enhancement of agribusinesses.

### E. <u>Identification of Important Program Relationships</u>

State Agencies: Agriculture; Land and Natural Resources; Business, Economic Development and Tourism; Labor and Industrial Relations; Health; Transportation; Manufacturing Extension Partnership-High Technology Development Corporation and University of Hawaii, College of Tropical Agriculture and Human Resources.

Federal Agencies: Agriculture—Natural Resource Conservation Service, Rural Economic Transition Agency
Commerce—Economic Development Agency, National Oceanographic and Atmosphere Administration
Defense—Army Corps of Engineers, Navy
Environmental Protection Agency
Health and Human Services
U.S. Geological Survey

County Agencies: All island Counties, Civil Defense, Economic Development, Planning, Water, and Public Works

Others: Kunia Water Cooperative; Koolau Mountains Watershed Partnership (Ohu Ohu Koolau); Kau Agricultural Water Cooperative District, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, East Kauai Water Users' Cooperative, Kauai Farm Bureau Development Corporation, Kekaha Agriculture Association, Hamakua North Hilo Agricultural Cooperative, Waiaka Hog Farmers Cooperative; Hawaii Cattlemen's Council

#### E. Description of Major External Trends Affecting the Program

The agricultural industry in Hawaii continues to transition plantation lands in Hawaii, Kauai, and Oahu. Large tracts of prime agricultural land are becoming available, providing opportunities for new diversified agricultural projects or expansion of existing projects.

#### F. Discussion of Cost, Effectiveness, and Program Size Data

The ADC is a relatively small program with a small staff (4 employees at ADC and 6 employees at WWS). To leverage our efforts in accomplishing our objective, ADC continues to contract with professional and technical services, while WWS

utilizes the varied skills of its employees and capability of electronic equipment as much as possible.

The ADC focuses its effort on land and water projects that are or have the potential to be self-supporting.

# G. Discussion of Program Revenue

Revenues are derived from water delivery charges assessed on Waiahole Water System users, lease rent charged to tenants on Kekaha agricultural lands, and from direct involvement in joint agricultural ventures with the federal government.

## H. Summary of Analysis Performed

None.

## I. Further Considerations

None.

# OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

AGR192

PROGRAM STRUCTURE NO. 01030403

PROGRAM TITLE:

GENERAL ADMINISTRATION FOR AGRICULTURE

		IN DOLLA	RS	!		IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES EQUIPMENT MOTOR VEHICLE	29.00* 1,556,828 205,802 24,898 7,200	29.00* 1,474,665 288,398	30.00* 1,639,451 74,764	30.00* 1,639,451 74,764	30.0* 1,639 75	30.0* 1,639 75	30.0* 1,639 75	30.0* 1,639 75
TOTAL OPERATING COST	1,794,728	1,763,063	1,714,215	1,714,215	1,714	1,714	1,714	1,714
BY MEANS OF FINANCING				1				
GENERAL FUND	29.00* 1,794,728	29.00* 1,763,063	30.00* 1,714,215	30.00* 1,714,215	30.0* 1,714	30.0* 1,714	30.0* 1,714	30.0* 1,714
CAPITAL IMPROVEMENT COSTS PLANS LAND ACQUISITION		1,000 199,000						
DESIGN CONSTRUCTION	101,000 524,000	200,000 300,000	100,000 400,000	100,000 400,000	100 400	100 400	100 400	100 400
TOTAL CAPITAL EXPENDITURES	625,000	700,000	500,000	500,000	500	500	500	500
BY MEANS OF FINANCING G.O. BONDS	625,000	700,000	500,000	500,000	500	500	500	500
TOTAL POSITIONS TOTAL PROGRAM COST	29.00* 2,419,728 =========	29.00* 2,463,063	30.00* 2,214,215	30.00* 2,214,215	30.00* 2,214	30.00* 2,214	30.00* 2,214	30.00* 2,214

#### PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:
PROGRAM STRUCTURE:
PROGRAM TITLE:

AGR192
01030403
GENERAL ADMINISTRATION FOR AGRICULTURE

	FY							
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
MEASURES OF EFFECTIVENESS  1. % CHANGE OF TOTAL VALUE OF CROPS AND LIVESTOCK 2. # OF ACRES RECLASSIFIED FROM AG TO URBAN USE 3. % PERSONNEL ACTIONS PROCESSED WTHN PAYROLL CYCLE 4. % OF VENDOR PAYMENTS MADE WTHN 30 DAYS 5. % OF DATA PROCESSING REQUESTS COMPLETED	- 001	1	1	1	1	1	1	1
	573	150	150	150	150	150	150	150
	95	95	95	95	95	95	95	95
	96	95	95	95	95	95	95	95
	84	85	85	85	85	85	85	85
PROGRAM TARGET GROUPS  1. TOTAL ACRES IN DIVERSIFIED CROPS AND LIVESTOCK  2. DIVERSIFIED FARM OPERATORS AND FARM WORKERS (#)  3. INVENTORY OF IMPORTANT AG LANDS (ACRES)  4. EMPLOYEES (NUMBER)  5. DIVISIONS (NUMBER)  6. BRANCHES (NUMBER)  7. ATTACHED AGENCIES (NUMBER)	1240000	1240000	1240000	1240000	1240000	1240000	1240000	1240000
	7000	7000	7050	7100	7150	7200	7250	7300
	NO DATA							
	415	415	415	415	415	415	415	415
	6	6	6	6	6	6	6	6
	12	12	12	12	12	12	12	12
PROGRAM ACTIVITIES  1. # LAND USE PERMIT APPL REVIEWED AFFECTING AG LANDS  2. NUMBER OF PERSONNEL ACTIONS PROCESSED  3. NUMBER OF PURCHASE ORDERS PROCESSED  4. NUMBER OF PETTY CASH CHECKS PROCESSED  5. NUMBER OF DATA PROCESSING REQUESTS RECEIVED	25	25	25	25	25	25	25	25
	2000	2000	2000	2000	2000	2000	2000	2000
	4600	4600	4600	4600	4600	4600	4600	4600
	1000	1000	1000	1000	1000	1000	1000	1000
	610	600	600	600	600	600	600	600

### A. Statement of Program Objectives

To expand agriculture's contribution to the State's economy by providing leadership, formulating policies and plans, directing operation, allocating resources and staff, providing for the exchange of information between stakeholders, and enhancing the effectiveness and efficiency of the department's programs.

### B. <u>Description of Request and Compliance with Section 37-68(1)(A)(B)</u>

The budget request for the FB 2009-11 reflects an adjustment to current services funding level based on FY09 allocation. Operating budget requests include 1) Reduction in other current expenses to comply with mandatory general fund reductions; 2) Transfer in Planner VI position from AGR 151; and 3) Transfer in general funds from various programs to replace funds that were reduced in Act 158/08.

A CIP budget request is for \$500,000 in G.O. Bonds for each year of the biennium for Miscellaneous Health, Safety, Code and Other Requirements.

## C. <u>Description of Activities Performed</u>

#### CHAIRPERSON'S OFFICE

Plans, directs, and coordinates the various activities of the department within the scope of laws and established policies and regulations; maintains relationships with the Governor, the Legislature, Federal, State, County agencies and agricultural organizations; and administers a public affairs program.

Prepares, coordinates, and monitors efforts to implement general and special plans; administers the planning of, and prepares project plans for new agricultural park

projects, in coordination with the Agricultural Resource Management Division; reviews agricultural needs related to land use, and prepares recommendations regarding State and County land use policies and procedures; and prepares and disseminates tabular and map data on the productivity and use of agricultural lands.

#### ADMINISTRATIVE SERVICES OFFICE

Provides staff support services to the various departmental programs in the areas of personnel, fiscal, budget and management, property management, automotive maintenance, information processing, office automation, and office and duplicating services.

## D. Statement of Key Policies

Emphasis continues to be placed on aggressively pursuing economic development activities within the department. Included in the various Department of Agriculture program budgets are limited resources needed to fund control projects for major pests of agriculture; programs to improve the marketing of Hawaii agricultural products; programs to improve the management and decision making support activities for agriculture; programs to develop meaningful information on Hawaiian agricultural resources; and programs to increase the production of Hawaiian agricultural commodities through such things as agricultural parks, irrigation systems and expansion of the capital base to finance the agricultural industry. The Department is continuing to maintain its support services and facilities throughout the State to serve the departmental personnel and public.

## E. <u>Important Program Relationships</u>

Federal Agencies: Departments of Agriculture; Health and Human Services; Environmental Protection Agency; Soil Conservation Service.

State Agencies: Department of Land and Natural Resources; Department of Transportation; and College of Tropical Agriculture and Human Resources, University of Hawaii.

County Agencies: Planning departments; Water departments.

Others: Agriculture groups; private organizations; news media

## F. <u>Description of Major External Trends Affecting the Program</u>

Increased emphasis on the diversification of our agricultural base and the utilization of agricultural lands will result in greater levels of activity for this program. In addition, the passage and adoption of new Federal and state legislation, standards and requirements without increased resources will have a significant impact on the department's ability to respond effectively and efficiently to the public served.

## G. <u>Discussion of Cost</u>, Effectiveness and Program Size Data

Reductions in personnel and resources due to the slow economy and efforts to downsize government have impacted program effectiveness and level of service. In addition, new Federal and State legislation, standards and requirements as well as new programs have continued to place new responsibilities and demands on the support staff. Additional responsibilities have been assumed with no additional resources.

## H. <u>Discussion of Program Revenues</u>

None

## I. Summary of Analysis Performed

None

#### J. Further Consideration

None

PROGRAM ID:

AGR153

PROGRAM STRUCTURE NO. 010403

PROGRAM TITLE:

AQUACULTURE DEVELOPMENT

		IN DOLLAF	RS			IN THOUS	SANDS	
PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST	8.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
PERSONAL SERVICES	339,560	481,675	504,601	504,601	504	504	504	504
OTHER CURRENT EXPENSES EQUIPMENT	186,914 43,238	245,632	130,443	130,443	131	131	131	131
TOTAL OPERATING COST	569,712	727,307	635,044	635,044	635	635	635	635
BY MEANS OF FINANCING				i .				
DI HEARS OF FINANCING	8.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
GENERAL FUND	542,374	610,192	487,929	487,929	488	488	488	488
SPECIAL FUND	27,338	30,000	60,000	60,000	60	60	60	60
	*	*	*	*!	*	*	*	*
OTHER FED. FUNDS		87,115	87,115	87,115	87	87	87	87
TOTAL POSITIONS	8.00*	8.00*	8.00*	8.00*	8.00*	8.00*	8.00*	8.00*
TOTAL PROGRAM COST	569,712	727,307	635,044	635,044	635	635	635	635
					=========	========		

## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID: AGR153
PROGRAM STRUCTURE: 010403
PROGRAM TITLE: AGR153
PROGRAM TITLE: AGR153
PROGRAM TITLE: AGR153
PROGRAM ID: AGR154
PROGRAM ID: AGr1

	FY	FY	FY	FY	FY	FY	FY	FY
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
MEASURES OF EFFECTIVENESS  1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS) 2. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000) 3. TOTAL AQUACULTURE EMPLOYMENT	2900	3700	3800	3900	4000	4200	4300	4400
	28000	28000	30000	30000	32000	32000	34000	35000
	300	309	318	341	364	386	409	432
PROGRAM TARGET GROUPS  1. AQUACULTURE OPERATIONS STATEWIDE	66	68	70	75°	80	85	90	95
PROGRAM ACTIVITIES  1. INFORMATION SENT (NUMBER) 2. PERMIT ASSISTANCE (NUMBER) 3. DIEASE ASSISTANCE (NUMBER OF CASES) 4. PROMOTIONAL EVENTS AND PRESENTATIONS (NUMBER)	320	350	400	450	500	550	600	650
	180	200	225	250	275	300	325	360
	150	175	180	190	200	210	270	300
	8	8	8	8	8	8	8	8
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) CHARGES FOR CURRENT SERVICES TOTAL PROGRAM REVENUES	44	60 60						
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) SPECIAL FUNDS TOTAL PROGRAM REVENUES	44	60 60						

### A. Statement of Program Objectives

To develop a sustainable and profitable commercial aquaculture industry by encouraging a diversity of products, improving management practices and technologies and providing direct assistance with regulations, disease, marketing and new business development.

## B. <u>Description of Request and Compliance with Section 37-68(1)(A)(B)</u>

The FB 09-11 budget request includes a reduction in other current expenses in order to comply with mandatory general fund reductions.

## C. <u>Description of Activities Performed</u>

Aquaculture activities address three broad areas: planning and coordination; provision of support services; and carrying out and funding research and technical extension. Plans and policies are formulated and liaison is maintained with sister state and county agencies, as well as national and international research and development activities and interests. Direct assistance is provided in such key areas as: technical and business information; disease management and prevention; permit acquisition and compliance; marketing of products, services and investment opportunities; and new business development and expansion. Resources are also directed at selected short-term applied research, provision of technical support and limited grant development to address industry needs.

#### D. Statement of Key Policies Pursued

The State Constitution, Article XI, mandates promoting conservation and development of the State's natural resources. Chapter 141-2.5, Hawaii Revised Statutes, vests in the Department of Agriculture with the responsibility and specific authorities to develop and manage aquaculture development programs. Program policies encourage the diversification of species and sustainable aquaculture technologies and a supportive business climate for investment, as a means of expanding and diversifying the state's economy and creating jobs on all

islands. Aquaculture is a natural resource-based industry that is environmentally sound and socially acceptable.

## E. <u>Identification of Important Program Relationships</u>

The Department of Agriculture has been designated the lead agency for aquaculture development. Aquaculture development involves important relationships with governments and organizations on the mainland and throughout the Asia-Pacific Region, as well as Federal, State, County and private groups. Planning, policy, business, and regulatory climates, research, training, education, professional conferences, and finance and marketing are areas of mutual interest and frequent interaction. The University of Hawaii system supports the Program with research and training. Federal support comes from the U.S. Department of Commerce and the U.S. Department of Agriculture's aquaculture programs, including the Pacific Regional Center for Tropical and Subtropical Aquaculture in Hawaii. The Program maintains close working relations with sister agencies, Hawaii's private growers, consultants, non-profit organizations, and secondary schools with aquaculture programs.

## F. <u>Description of Major External Trends Affecting the Program</u>

Aquaculture is a multimillion-dollar growth industry, in Hawaii and worldwide, that globally produces one third of the world's seafood. Growing concern over world food shortages, and declining production of wild fishery stocks, has focused worldwide attention on expanding aquaculture. National goals include increasing production and jobs, balancing trade, and fostering sustainable rural development. World aquaculture production has tripled since 1976, and should triple again by 2025 to cover projected shortfalls in fisheries production. U.S. production, tripled from the 1980's, and is now worth \$1B annually. With increased emphasis by Congress on increasing domestic supplies of seafood and a target U.S. goal of a \$5B dollar industry by 2025, interest within the Federal government is very high.

Direct value of aquaculture products and services in Hawaii has increased nearly forty-fold from 1978 to 2003 and are valued at an estimated \$25.28M in 2007 - one of the fastest growing ocean or agriculture industries in the State. Hawaii's industry is positioned to enjoy long-term advantage from these trends by developing needed technologies, exporting technology and expertise and applying them to commercial development in Hawaii.

## G. <u>Discussion of Cost, Effectiveness and Program Size Data</u>

# Discrepancies Between Planned and Actual Levels

Cost- Actual expenditures met expectations.

Effectiveness- Production value and employment were within forecast.

Size- Numbers of farms decreased due to a comprehensive survey to determine the business status of all known farms. Amount of disease assistance decreased due to staff vacancies.

## Changes from Current to Upcoming Budget Periods

Cost- Program budget request reflects a current services budget. Note that the current economic environment has mandated a 20% reduction in the overall ADP budget. The reduction primarily impacts ADP's ability to fund extension services which traditionally were housed at the University of Hawaii Sea Grant College.

Effectiveness- Aquaculture farms, production and jobs are expected to increase as disease, finance, marketing, and siting issues are resolved and new species identified.

Size-Operating personnel and costs have been significantly reduced in recent years; projections for the activity reflect targeted efforts to maintain a level of service with the resources available, despite anticipated larger increases in need. Full staffing should permit additional caseload.

## Relationship Between Planning Period and Budget Period

Cost- Personnel costs do not include incremental collective bargaining increases and inflation is not included in operating costs.

Effectiveness- Levels of production, value and number of jobs will continue to rise, driven by market opportunities with select species and greater availability of land and water resources, although growth and the subsequent positive impacts on the economy will be less due in part to resource limitations.

Size- Activity measures reflect targeted efforts to maintain a level of services with the resources available, despite anticipated increases in need, and increase use of electronic communication.

## H. <u>Discussion of Program Revenues</u>

Revenue projections are based on establishment of a fee schedule for diagnostics through the Special Fund.

## I. Summary of Analysis Performed

The program will strive to adjust to personnel limitations and operating resources to maintain the targeted levels of effectiveness and service.

## J. <u>Further Considerations</u>

None

# OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:

PROGRAM STRUCTURE NO. 04

PROGRAM TITLE:

ENVIRONMENTAL PROTECTION

PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FV0000 10					
			FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST	23.00*	23.00*	22.00*	22.00*	22.0*	22.0*	22.0*	22.0*
PERSONAL SERVICES	1,224,894	1,403,417	1,533,172	1,533,172	1,533	1,533	1,533	1,533
OTHER CURRENT EXPENSES	664,394	641,003	641,003	641,003	641	641	641	641
EQUIPMENT Motor Vehicle	113,877	10,000 28,400		į				
TOTAL OPERATING COST	2,003,165	2,082,820	2,174,175	2,174,175	2,174	2,174	2,174	2,174
								========
BY MEANS OF FINANCING				1				
	18.00*	18.00*	13.00*	13.00*	13.0*	13.0*	13.0*	13.0*
GENERAL FUND	884,705	891,526	737,927	737,927	738	738	738	738
	1.00*	1.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
OTHER FED. FUNDS	353,112	425,824	465,190	465,190	465	465	465	465
	4.00*	4.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
REVOLVING FUND	765,348	765,470	971,058	971,058	971	971	971	971
TOTAL POSITIONS	23.00*	23.00*	22.00*	22.00*	22.00*	22.00*	22.00*	22.00*
TOTAL PROGRAM COST	2,003,165	2,082,820	2,174,175	2,174,175	2,174	2,174	2,174	2,174

PROGRAM ID:

AGR846

PROGRAM STRUCTURE NO. 040102

PROGRAM TITLE:

**PESTICIDES** 

		IN DOLLAR	RS			IN THOUS	ANDS	
PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST	23.00*	23.00*	22.00*	22.00*	22.0*	22.0*	22.0*	22.0*
PERSONAL SERVICES	1,224,894	1,403,417	1,533,172	1,533,172	1,533	1,533	1,533	1,533
OTHER CURRENT EXPENSES	664,394	641,003	641,003	641,003	641	641	641	641
EQUIPMENT	113,877	10,000						
MOTOR VEHICLE		28,400						
TOTAL OPERATING COST	2,003,165	2,082,820	2,174,175	2,174,175	2,174	2,174	2,174	2,174
						=======		
BY MEANS OF FINANCING								
	18.00*	18.00*	13.00*	13.00*	13.0*	13.0*	13.0*	13.0*
GENERAL FUND	884,705	891,526	737,927	737,927	738	738	738	738
	1.00*	1.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
OTHER FED. FUNDS	353,112	425,824	465,190	465,190	465	465	465	465
	4.00*	4.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
REVOLVING FUND	765,348	765,470	971,058	971,058	971	971	971	971
TOTAL POSITIONS	23.00*	23.00*	22.00*	22.00*	22.00*	22.00*	22.00*	22.00*
TOTAL PROGRAM COST	2,003,165	2,082,820	2,174,175	2,174,175	2,174	2,174	2,174	2,174

#### PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:
PROGRAM STRUCTURE:
PROGRAM TITLE:

AGR846
040102
PESTICIDES

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
MEASURES OF EFFECTIVENESS					<del></del>			*
<ol> <li># HIGHLY TOXIC EXP TO PEST THREAT TO LIFE OR HLTH</li> <li>#DRINKG WATER SOURCES REQ TRTMT TO MEET HTH STDS</li> <li>CROP LOSS PREVENTED BY EMERGENCY USE OF PESTICIDES</li> </ol>	2 12 0	10 12 2000						
PROGRAM TARGET GROUPS								
<ol> <li>NO. OF APPLS CERT FOR RESTR USE OF PESTICIDES</li> <li>NO. OF LICENSED DEALERS</li> <li>LICENSEES OF PESTICIDE PRODUCTS</li> <li>NO. OF AGRICULTURAL LABORERS</li> <li>NON-CERTIFIED APPLICATORS</li> </ol>	1750 22 1081 12500	1750 22 1000 12500						
PROGRAM ACTIVITIES								
1. CERTIF OF RESTRICTED PESTICIDE USERS 2. FIELD INSP MONITORING PEST USE (AG & NON AG) 3. INVEST OF COMPLAINTS OF ALLEGED PESTICIDE MISUSE 4. LICENSING DEALERS OF RESTRICTED PESTICIDES 5. SAMP PESTICIDE PROD & ENV SURFACES FOR RESIDUES 6. MARKET INSPECTIONS 7. PESTICIDE PRODUCT REGISTRATION (NO. OF PRODUCTS) 8. MINOR USE REGISTRATIONS 9. GROUND WATER REVIEWS 10. CONSULT W/ FISH & WLDIF SVCS FOR ENDANGERED SP IMP	388 414 57 22 848 75 2893 7 0	350 400 50 22 500 75 2700 10 4	350 400 50 22 500 75 2700 10 4	350 400 50 22 500 75 2700 10 4	350 400 50 22 500 75 2700 10 4	350 400 50 22 500 75 2700 10 4	350 400 50 22 500 75 2700 10 4	350 400 50 22 500 75 2700 10 4 2
PROCEAM DEVENUES BY TYPE (IN THOUSANDS of BOLLARS)								
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) LICENSES, PERMITS, AND FEES REVENUES FROM THE USE OF MONEY AND PROPERTY REVENUE FROM OTHER AGENCIES: FEDERAL CHARGES FOR CURRENT SERVICES FINES, FORFEITS AND PENALTIES NON-REVENUE RECEIPTS	4 48 396 32 30 205	4 30 385 30 30 242	4 30 380 30 30	4 30 380 30 30	4 30 380 30 30	4 30 380 30 30	4 30 380 30 30	4 30 380 30 30
TOTAL PROGRAM REVENUES	715	721	474	474	474	474	474	474
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) GENERAL FUNDS SPECIAL FUNDS ALL OTHER FUNDS	324 343 48	336 355 30	94 350 30	94 350 30	94 350 30	94 350 30	94 350 30	94 350 30
TOTAL PROGRAM REVENUES	715	721	474	474	474	474	474	474

## A. Statement of Program Objectives

To ensure the effective, efficient, and safe use of pesticides and to minimize their possible adverse effects on man and the environment while considering the benefits of their use.

#### B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The FB 09-11 budget reflects an adjustment to the current services funding level based on the FY 09 allocation. Budget requests include transferring general funded position to non-general funds to comply with mandatory general fund restrictions.

#### C. Description of Activities Performed

Certification Activities - Restricted Pesticide Users and Restricted-Use Pesticide Dealers must obtain certificates and licenses from the Department. Both must pass a written examination. Restricted Pesticide Users must renew their certificates every five years. Renewal is done through attending classes or by written examination. Restricted Pesticide Dealers must renew their licenses every year. Fees are assessed for the administration of examinations and the annual issuance of dealers' licenses.

Educational Activities - Field consultative visits are conducted to provide information and training to applicators and to prevent pesticide misuse. Educational classes are offered to certified applicators and the general public on pesticide issues.

Pesticide Licensing - Before pesticides may be offered for sale in Hawaii, they must be licensed. Program activities are to issue experimental permits to gather

necessary data to support special local needs registrations, and license products that meet the standards of the Administrative Rules concerning pesticides and Federal pesticide law and rules. A licensing fee is charged for each product. This fee is deposited in the Pesticide Use Revolving Fund. This fund is used for personnel costs, operating costs and contracts for services.

Investigation Activities - Inspections are conducted to assure compliance with label directions and to detect misuse. Citizen complaints relating to pesticides are investigated as top priority actions for the program. Pesticide producers and dealers are inspected to determine compliance with the licensing and labeling requirements, to assure sales to appropriately certified applicators, and to sample pesticides for chemical composition.

Enforcement Activities - Noncompliance with State Pesticides Law and Administrative Rules are addressed in Warning Notices, Stop-Sale Orders, and/or Civil Penalty Proceedings

#### D. Statement of Key Policies Pursued

The Pesticides Program has jurisdiction for enforcement of the Hawaii Pesticides Law (Chapter 149A, HRS) and Administrative Rules; and State-Federal cooperative agreements relating to pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act, as amended.

#### E. <u>Identification of Important Program Relationships</u>

University of Hawaii, College of Tropical Agriculture and Human Resource (UH) conducts research on chemical pest control and provides data in support of special local need registrations reviewed and issued by the Department. The UH Cooperative Extension Service conducts applicator certification training with certification issued by the Department in a coordinated program. The Department of Health has related program responsibilities, including pesticide residues in

groundwater and food, pesticides used for vector control, and pesticide incident reporting.

The U.S. Environmental Protection Agency (EPA) enforces Federal pesticide laws and regulations and has cooperative enforcement, certification, and program implementation agreements (worker protection, water quality protection, and endangered species protection) with the Department.

## F. Description of Major External Trends Affecting the Program

- Amendments to Federal Law, including the Federal Food Drug and Cosmetic
  Act, have changed risk assessment procedures for pesticides. Known as the
  Food Quality Protection Act, these amendments set new standards for
  pesticide residues in food. The most important change is that the EPA must
  now consider all pesticides with a common mechanism of toxicity and all
  routes of exposure in assessing risks. This process will likely exacerbate
  pesticide availability issues for minor pesticide uses (which include most of
  Hawaii's crops). However, EPA has encouraged the development of safer
  pesticides, which may provide some control, although are substantially more
  expensive than current pest controls.
- 2. Regulating plant incorporated protectant pesticides under a agreement with EPA will require considerably more effort than required for conventional chemical pesticides. More than one visit will be required for each experimental permit issued by EPA and multi-agency coordination will be required to determine the fate of the seed. All program costs for this effort are to be paid by EPA.

## G. Discussion of Cost, Effectiveness, and Program Size Data

1. Cost - Total program costs include funds from the State budget and Federal funds. The state budget is approximately \$750,000. This is supplemented by

- \$270,000 in federal support for the enforcement and certification programs, and \$164,000 to develop new pesticide regulatory programs. There is also approximately \$700,000 budgeted from Pesticide Use Revolving fund which is to be used to support pesticide program activities.
- 2. Effectiveness The methods to measure program effectiveness include severe pesticides injuries reported to the Poison Control Center hotline and the number of drinking water sources with levels of pesticides of concern.
- 3. Size The current state and federally funded positions are: Maui County has two positions, one Inspector and one Education Specialist; Hawaii County has four positions, three Inspectors and one Education Specialist, Kauai County has one Inspector. The majority of the staff, including the Program Manager, are assigned to Honolulu County.

## H. Discussion of Program Revenues

The program has five sources of revenue: 1) EPA grants; 2) licenses and permits issued to dealers and sales outlets; 3) annual license fees for pesticide distribution and sale in Hawaii; 4) applicator certification examination fee; and 5) civil penalties for violations of State Pesticides Law.

## I. Summary of Analysis Performed

None

#### J. Further Considerations

None

PROGRAM ID:

PROGRAM STRUCTURE NO. 10

PROGRAM TITLE:

INDIVIDUAL RIGHTS

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PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST	15.00*	15.00*	12.00*	12.00*	12.0*	12.0*	12.0*	12.0*
PERSONAL SERVICES	551,219	598,824	508,862	508,862	509	509	509	509
OTHER CURRENT EXPENSES	117,417	86,565	86,565	86,565	86	86	86	86
EQUIPMENT	57,382							
TOTAL OPERATING COST	726,018	685,389	595,427	595,427	595	595	595	595
				·				
BY MEANS OF FINANCING								
	15.00*	15.00*	12.00*	12.00*	12.0*	12.0*	12.0*	12.0*
GENERAL FUND	726,018	685,389	595,427	595,427	595	595	595	595
TOTAL POSITIONS	15.00*	15.00*	12.00*	12.00*	12.00*	12.00*	12.00*	12.00*
TOTAL PROGRAM COST	726,018	685,389	595,427	595,427	595	595	595	595

REPORT P61-A

PROGRAM ID:

AGR812

PROGRAM STRUCTURE NO. 10010402

PROGRAM TITLE:

MEASUREMENT STANDARDS .

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PROGRAM EXPENDITURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES EQUIPMENT	15.00* 551,219 117,417 57,382	15.00* 598,824 86,565	12.00* 508,862 86,565	12.00* 508,862 86,565	12.0* 509 86	12.0* 509 86	12.0* 509 86	12.0* 509 86
TOTAL OPERATING COST	726,018	685,389	595,427	595,427	595	595	595	595
BY MEANS OF FINANCING				1				
GENERAL FUND	15.00* 726,018	15.00* 685,389	12.00* 595,427	12.00* 595,427	12.0* 595	12.0* 595	12.0* 595	12.0* 595
TOTAL POSITIONS TOTAL PROGRAM COST	15.00* 726,018	15.00* 685,389	12.00* 595,427	12.00* 595,427	12.00* 595	12.00* 595	12.00* 595	12.00* 595

## PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID: AGR812
PROGRAM STRUCTURE: 10010402
PROGRAM TITLE: MEASUREMENT STANDARDS

	FY	FY	FY	FY	FY	FY	FY	FY
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
MEASURES OF EFFECTIVENESS								
1. COMPLIANCE RATE FOR COMMERCIAL MEASURING DEVICES 2. PERCENTAGE OF MEASURING DEVICES INSPECTED 3. COMPLIANCE RATE FOR SERVICE AGENCIES 4. COMPLIANCE RATE FOR AUTOMOTIVE FUEL OCTANE RATING 5. PERCENTAGE OF MEASUREMENT STANDARDS CALIBRATED 6. COMPLIANCE RATE FOR PRICING 7. PERCENTAGE OF STORES INSPECTED FOR PRICING 8. COMPLIANCE RATE FOR PACKAGE CONTENT 9. COMPLIANCE RATE FOR PACKAGE LABELING	90	90	90	90	90	90	90	90
	50	50	50	50	50	50	50	50
	100	100	100	100	100	100	100	100
	100	100	100	100	100	100	100	100
	60	60	60	60	60	60	60	60
	95	95	95	95	95	95	95	95
	25	25	25	25	25	25	25	25
	50	50	50	50	50	50	50	50
PROGRAM TARGET GROUPS  1. BUSINESSES USING WEIGHING DEVICES 2. BUSINESSES USING VOLUMETRIC DEVICES 3. BUSINESSES USING LINEAR DEVICES 4. SERVICE AGENCIES FOR MEASURING DEVICES 5. STORES USING PRICE SCANNERS 6. WEIGHMASTERS 7. DE FACTO POPULATION OF HAWAII (000)	2800	2800	2800	2800	2800	2800	2800	2800
	540	540	540	540	540	540	540	540
	2020	2020	2020	2020	2020	2020	2020	2020
	60	60	60	60	60	60	60	60
	1060	1060	1060	1060	1060	1060	1060	1060
	210	210	210	210	210	210	210	210
	1480	1480	1480	1480	1480	1480	1480	1480
PROGRAM ACTIVITIES  1. # OF MEASURING DEVICES INSPECTED - WEIGHT 2. # OF MEASURING DEVICES INSPECTED - VOLUME 3. # OF MEASURING DEVICES INSPECTED - LINEAR 4. # OF REPAIR SERVICES MONITORED FOR QUALITY 5. # OF MEASUREMENT STANDARDS CALIBRATED 6. # OF OCTANE TESTS DONE ON AUTOMOTIVE FUEL 7. # CONSUMER PKG INSPECT FOR QUANT OF CONTENTS (000) 8. # OF CONSUMER PACKAGE LABELS INSPECTED 9. # CONSUMER PRODS INSPECTED FOR PRICE VERIFICATION 10. # OF WEIGHMASTERS & SERVICE AGENCIES LICENSED	1200 1500 1400 60 1200 30 30 7000 245	1200 1500 1400 60 1200 30 30 300 7000 245						
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) LICENSES, PERMITS, AND FEES CHARGES FOR CURRENT SERVICES TOTAL PROGRAM REVENUES	18	18	18	18	17	17	17	17
	314	310	310	310	310	310	310	310
	332	328	328	328	327	327	327	327
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) GENERAL FUNDS TOTAL PROGRAM REVENUES	332	328	328	328	327	327	327	327
	332	328	328	328	327	327	327	327

### A. Statement of Program Objectives

To minimize inaccuracy or fraudulent practices in commercial measurement, labeling, and pricing to reduce losses for sellers and consumers through a program of licensing, inspecting, testing, calibrating, and investigating complaints.

## B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The budget request for the FB 2009-11 includes a request to delete two general funded Measurement Standards Inspector positions and funds to comply with mandatory budget reductions.

### C. <u>Description of Activities Performed</u>

- 1. Inspection and test of motor fuel dispensers at wholesale and retail levels to assure accuracy and compliance with specifications.
- Inspection and test of scales at wholesale and retail levels to assure accuracy and compliance with NIST specifications.
- 3. Test taximeters and other linear measuring devices to assure accuracy and compliance with specifications.
- 4. Calibrate standards used by inspectors, state and private laboratories, and service agents to calibrate devices susceptible to commercial usage.
- 5. Check retail prices to verify that prices are posted and the correct price is being charged at the point of sale.
- 6. Analyze labels submitted for compliance with state and federal law. Check labels on consumer packages to assure compliance with labeling laws.
- 7. Test and analyze consumer packages to assure accurate Net Content, statement of identity, and statement of responsibility.
- 8. License and monitor all commercial devices, service agents, and measuremasters.
- 9. Conduct testing of retail motor fuel (gasoline) for octane.

#### D. Statement of Key Policies Pursued

- Provide effective services and activities to protect businesses and individual consumers from unfair commercial practices involving measurement, quality of products, or labeling.
- 2. Conduct enforcement on an educational basis if possible.
- 3. Improve enforcement and client educational activities by using the latest sampling methods, automated data processing equipment, communication technology, and information presentation practices.

## E. <u>Identification of Important Program Relationships</u>

U.S. Department of Commerce, National Institute of Standards and Technology (NIST), which has a statutory responsibility for "cooperation with the States in securing uniformity of weights and measures and methods of inspection" throughout the United States. The metrology laboratory must meet established criteria and resolve laboratory problems presented by NIST to receive and maintain certification. The laboratory also participates in the Western Regional Assurance Program along with the 10 western states under the auspices of NIST. The enforcement program works with NIST in developing specifications and tolerances for commercial measuring devices.

Collaboration with the USFDA and HDOH, Food and Drug Branch, and the HDLNR, to enforce federal and state package and labeling requirements for the labeling of meat and poultry products; and the Federal Trade Commission for labeling of non-food products.

Partnership with local county motor vehicle licensing agencies, Taxi Control, and Hawaii Criminal Justice Data Center, and other State departments of motor vehicles to obtain information relating to odometer fraud investigations and the inspection of Taxi meters.

American Petroleum Institute, government and private industry petroleum testing laboratories, American Society for Testing and Materials, and the Federal Trade Commission for setting standards developing testing methodology and enforcing labeling requirements for petroleum products.

#### F. Description of Major External Trends Affecting the Program

Due to current economic conditions it is expected that the number of businesses using commercial devices in the state will contract. Large fluctuations in energy costs will make consumers more aware of how much they are paying for retail motor fuel. This increase in awareness and price sensitivity will increase consumer complaints regarding the accuracy and quality of the motor fuel they are purchasing, increasing the number of complaints the branch will receive and investigate regarding retail motor fuel pump accuracy and octane number.

County of Honolulu taxi rate changes and taxi meter adjustments have required the program to inspect all commercial taxi meters used on Oahu twice in a twelve month period.

The program continues to work with the Hawaii coffee industry to bring all packages and advertisements of locally grown coffee into compliance with state and federal laws.

## G. Discussion of Cost, Effectiveness, and Program Size Data

Budgetary restrictions and reductions have required the Branch to maintain essential services to the public year to year at less expense to the general fund. Elimination of Inspector positions on some neighbor islands have restricted the Branch's ability to provide essential services on those islands. Inspectors are sent to those islands to follow up on complaints and to provide essential services.

## H. Discussion of Program Revenue

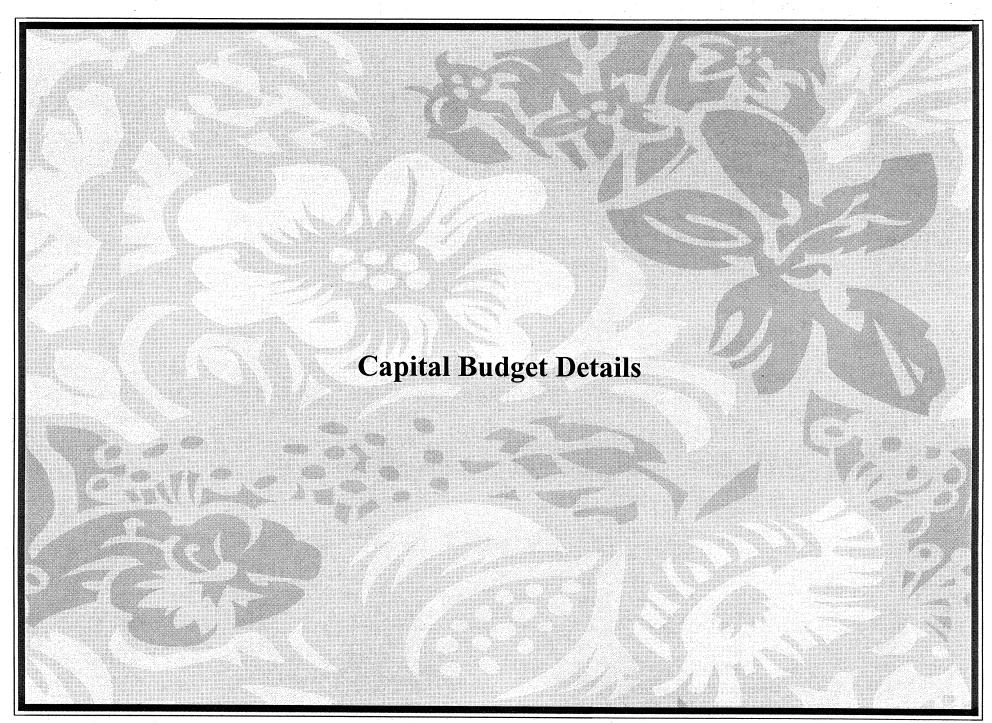
Program revenues are derived from licensing commercial measuring devices and measuremasters. Annual revenues are anticipated to increase due to administrative rule changes that will increase license fees, require calibration fees for standards, and license fees for registered service agents. The proposed fee increases are intended to more adequately cover the cost of providing essential services to the public.

#### I. Summary of Analysis Performed

None

#### J. Further Considerations

None



PROGRAM TITLE

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78 PAGE 1

PROGRAM ID

AGR-122

PROGRAM STRUCTURE NO. 01030201

PLANT PEST AND DISEASE CONTROL

							-						
ROJECT NUMBER	PRIORITY NUMBER	LOC SCOPE	PROJI	ECT TITLE		· ·	BUDGET P	ERIOD					SHCCEEN
		COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	SUCCEEL YEARS
0001		NEW	JOINT BIOSECUR	TY INSPECT	ION FACILITI	ES, H	ONOLULU INT	ERNATIONAL	AIRPORT, OA	VHO.		:	
		DESIGN CONSTRUCTION	1 9,999			1 9,999							
		TOTAL	10,000			10,000							
		G.O. BONDS OTHER FED. FUN	5,000 5,000			5,000 5,000							
-			PROGRAM TOTALS	· · · · · ·									
		PLANS DESIGN CONSTRUCTION EQUIPMENT	100 410 16,474 70	100 409 6,475 70		1 9,999							
		TOTAL	17,054	7,054	-	10,000							
		G.O. BONDS OTHER FED. FUN	12,054 5,000	7,054		5,000 5,000		<del></del>					

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT

REPORT B78 PAGE 2

PROGRAM ID

AGR-131

IN THOUSANDS OF DOLLARS

PROGRAM STRUCTURE NO. 0103020201

PROGRAM TITLE

RABIES QUARANTINE

ROJECT PRIORI NUMBER NUMBE	TY LOC SCOPE R	PRO	JECT TITLE			BUDGET F	PERIOD						
	COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	SUCCEED YEARS	
		PROGRAM TOTAL	 S									:	
	DESIGN CONSTRUCTION	49 231	49 231										
	TOTAL	280	280										
	G.O. BONDS	280	280										

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78 PAGE 3

PROGRAM ID

AGR-141

PROGRAM STRUCTURE NO. 01030401

PROGRAM TITLE

AGRICULTURAL RESOURCE MANAGEMENT

PROJECT	PRIORITY	LOC SCOPE	PRO	JECT TITLE									
NUMBER	NUMBER						BUDGET PI						
• '		COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	SUCCEED YEARS
10001	1	NEM	MOLOKAI AND W	AIMEA HYDRO	POWER PLANT,		STATEWIDE					<del></del>	
		PLANS	175				175						
		DESIGN	175 175				175 175						
		CONSTRUCTION	1,000				119	1,000					
	•	TOTAL	1,350				350	1,000					
		TOTAL	1,350					1,000					
		G.O. BONDS	1,350				350	1,000					
10003	3	RENOVATION	WAIMEA TRANSF	ER DITCH IM	PROVEMENTS, H	AWAII		· · · · · · · · · · · · · · · · · · ·					
		DESIGN											
		CONSTRUCTION	200 2,000				200	2,000					
		TOTAL	2,200				200	2,000					
		G.O. BONDS	2,200				200	2,000					
10005	5	RENOVATION	WAIAHOLE DITC	H IRRIGATIO	N SYSTEM, RES	ERVOIRS	155 AND 225	MPROVEMENTS	S, OAHU				
		DESIGN	200				200						
		CONSTRUCTION	6,095					6,095					
		TOTAL	6,295				200	6,095		· · · · · · · · · · · · · · · · · · ·	<del></del>		
		G.O. BONDS	1,550				50	1,500					
		OTHER FED. FUN	4,745				150	4,595					
10008	7	RENOVATION	KAHUKU AGRICU	LTURAL PARK	SUBDIVISION		MISCELLANEOUS	IMPROVEMEN	ITS, OAHU				
		DESIGN	40				40						
		CONSTRUCTION	160				160						
		TOTAL	200				200	<del></del>					
		G.O. BONDS	200				200						

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78 PAGE 4

PROGRAM ID

AGR-141

PROGRAM STRUCTURE NO. 01030401

PROGRAM TITLE

AGRICULTURAL RESOURCE MANAGEMENT

PROJECT NUMBER	PRIORITY NUMBER	LOC SCOPE	PRO	JECT TITLE			BUDGET PE	:DIOD					
NONDER	NONDER	COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	SUCCEED YEARS
70001		NEW	IRRIGATION SY	STEM IMPROVE	MENTS, OAHU							· .	:
		DESIGN CONSTRUCTION	25 375	: 	25 375								
		TOTAL	400		400	,							
		G.O. BONDS	400		400								
97002	3	OTHER	UPCOUNTRY MAU	I WATERSHED,	MAUI								
		PLANS LAND DESIGN CONSTRUCTION EQUIPMENT	509 653 2,634 14,356	409 453 2,234 9,056 10	50 100 200 2,650	50 100 200 2,650							
		TOTAL	18,162	12,162	3,000	3,000							
•		G.O. BONDS OTHER FED. FUN	9,900 8,262	6,900 5,262	1,500 1,500	1,500 1,500							
W0602	0001	NEW	STATE IRRIGAT	ION SYSTEM R	ESERVOIR SAF	ETY I	IMPROVEMENTS,	STATEWIDE					
		PLANS DESIGN CONSTRUCTION	520 1,080 8,650		520 1,080 8,650								
		TOTAL	10,250		10,250								
		G.O. BONDS	10,250		10,250								
200401	6	ADDITION	STATE AGRICUL	TURAL WATER	AND USE DEVE	LOPMENT P	PLAN, STATEWI	DE			<del></del>		
		PLANS	2,100	900			400		400	400			
		TOTAL	2,100	900			400		400	400			
		G.O. BONDS OTHER FED. FUN	1,050 1,050	450 450			200 200		200 200	200 200			

PROGRAM TITLE

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78 PAGE 5

PROGRAM ID

AGR-141

PROGRAM STRUCTURE NO. 01030401

AGRICULTURAL RESOURCE MANAGEMENT

ROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJ	ECT TITLE			BUDGET PE	RIOD					
				PROJECT	PRIOR	FY	FY	FY	FY	FY	FY	FY	FY	SUCCEED
		COST	ELEMENT/MOF	TOTAL	YRS	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	YEARS
0402	2		ADDITION	MOLOKAI IRRIGA	TION SYSTEM	IMPROVEMENT	rs,	MOLOKAI						
		PLANS		300	300									
		DESIG	N	300	250			50						
		CONST	RUCTION	3,899	449			3,450						
		EQUIP	MENT	1	1									
		TO	TAL	4,500	1,000			3,500						
		G.O.	BONDS	4,500	1,000			3,500						
					-,			2,222						
00603	6		NEM	WAIMANALO IRRI	GATION SYST	EM IMPROVEME	NTS,	MAUNAWILI VAL	LEY, WAIMA	NALO, OAHU				
		PLANS		100		100								
		DESIG	N .	580		<i>5</i> 80								
		CONST	RUCTION	5,320		5,320								
		то	TAL	6,000		6,000								
		G.O.	BONDS	6,000		6,000								
00604	7		NEM	KUNIA AGRICULTU	JRAL PARK,	 OAHU								
		PLANS		250		250								
		то	TAL	250		250								<del></del>
		G.O.	BONDS	250		250								
<del></del>				PROGRAM TOTALS	<u> </u>					-	* *	#F		
		PLANS		5,420	3,075	920	50	575		400	400			
		LAND		1,090	890	100	100							
		DESIG		7,821	5,071	1,885	200	665						
			RUCTION	79,710	47,360	16,995	2,650	3,610	9,095					
		EQUIP	MENT	912	912			*						
		TO	TAL	94,953	57,308	19,900	3,000	4,850	9,095	400	400			
			AL FUND	135	135									
	*	G.O.		71,286	41,986	18,400	1,500	4,500	4,500	200	200		¥	
			FED. FUN	23,532	15,187	1,500	1,500	350	4,595	200	200			

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

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PROGRAM ID

PROGRAM TITLE

AGR-153

PAGE 6

PROGRAM STRUCTURE NO. 010403

AQUACULTURE DEVELOPMENT

PROJECT	PRIORITY NUMBER	LOC SCOPE	PROJECT TITLE			BUDGET PERIOD							
NOMBER	NOMBER	COST ELEMENT/MOF	PROJECT Total	PRIOR YRS	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	SUCCEED YEARS
			PROGRAM TOTALS	i									
	•	DESIGN CONSTRUCTION EQUIPMENT	1 498 1	1 498 1									
		TOTAL	500	500									
		G.O. BONDS	500	500									

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

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PROGRAM ID

AGR-161

PROGRAM STRUCTURE NO. 01030402

PROGRAM TITLE

AGRIBUSINESS DEVELOPMENT

ROJECT NUMBER	PRIORITY NUMBER	LOC SCOPE	PROJE	CT TITLE			BUDGET PI	EDTOD					
NUMBER	NUMBER	COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	SUCCEED YEARS
80002		NEM	GALBRAITH ESTAT	E, OAHU									
•.		LAND	13,000			13,000							
		TOTAL	13,000			13,000	. — — — — — — — — — — — — — — — — — — —	<del></del>					
		G.O. BONDS	13,000			13,000							
0702	007	NEM	WAIAHOLE WATER	SYSTEM IMPE	ROVEMENTS,	OAHU					, , , , , , , , , , , , , , , , , , ,		
		DESIGN	163			163							
		TOTAL	163	<del></del>		163							
		G.O. BONDS OTHER FED. FUN	57 106			57 106							
			PROGRAM TOTALS			<del></del>		*					
		LAND DESIGN CONSTRUCTION	13,000 213 100	50 100		13,000 163							
		TOTAL	13,313	150		13,163							
		G.O. BONDS OTHER FED. FUN	13,207 106	150		13,057 106							

PROGRAM TITLE

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

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PROGRAM ID

AGR-192

PROGRAM STRUCTURE NO. 01030403

GENERAL ADMINISTRATION FOR AGRICULTURE

PROJECT NUMBER	PRIORITY NUMBER	LOC SCOPE	PRO	JECT TITLE			BUDGET PI	EDIAD					
NOMBER	NOMBER	COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-1 <b>5</b>	SUCCEED YEARS
P70002		RENOVATION	HAWAIIAN HUMA	NE SOCIETY,	OAHU								
		DESIGN CONSTRUCTION	1 124	, <del>1</del>	1 124								
		TOTAL	125		125								
		G.O. BONDS	125		125								
P80003		NEW	NATIONAL TROP	ICAL BOTANIC	AL GARDEN								
		PLANS DESIGN	1 199			1 199							
		TOTAL	200			200							
		G.O. BONDS	200			200							
981921	4	RENOVATION	MISCELLANEOUS	HEALTH, SAF	ETY, CODE,	AND OTHER R	EQUIREMENTS,	STATEWIDE			· · · · · · · · · · · · · · · · · · ·		
		PLANS	2	2			444						
	4.	DESIGN CONSTRUCTION EQUIPMENT	1,671 7,327 2	771 4,227 2	100 400	200 300	100 400	100 400	100 400	100 400	100 400	100 400	
		TOTAL	9,002	5,002	500	500	500	500	500	500	500	500	
		G.O. BONDS OTHER FED. FUN	8,602 400	4,602 400	500	500	500	500	500	500	500	500	
			PROGRAM TOTAL	s									
		PLANS DESIGN CONSTRUCTION EQUIPMENT	3 1,871 7,451 2	2 771 4,227 2	101 524	1 399 300	100 400	100 400	100 400	100 400	100 400	100 400	
		TOTAL	9,327	5,002	625	700	500	500	500	500	500	500	
		IVIAL	· · · · · · · · · · · · · · · · · · ·										

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

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PROGRAM ID

AGR-812

PROGRAM STRUCTURE NO. 10010402

PROGRAM TITLE

MEASUREMENT STANDARDS

PROJECT NUMBER	PRIORITY NUMBER	LOC SCOPE	PROJI	BUDGET PERIOD										
		COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	SUCCEED YEARS	
			PROGRAM TOTALS											
		PLANS DESIGN	200 403	200 403									•	
		CONSTRUCTION EQUIPMENT	6,272 50	6,272 50										
		TOTAL	6,925	6,925										
		G.O. BONDS	6,925	6,925										